



May 8, 2024

Meet the Money

Economic Update

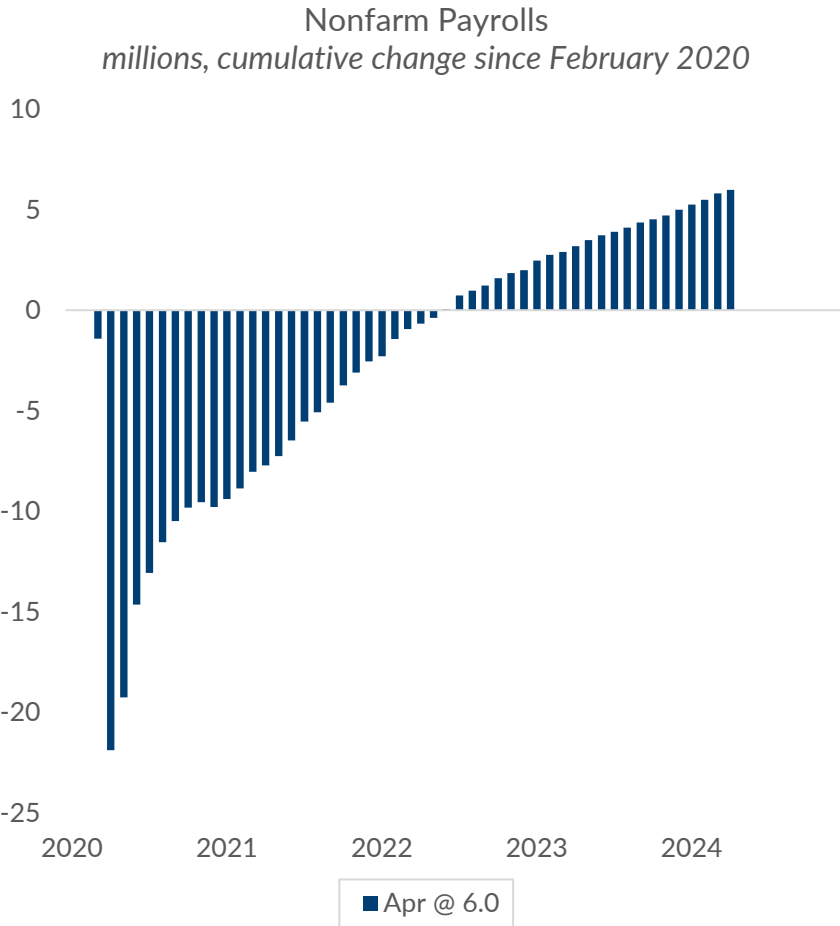
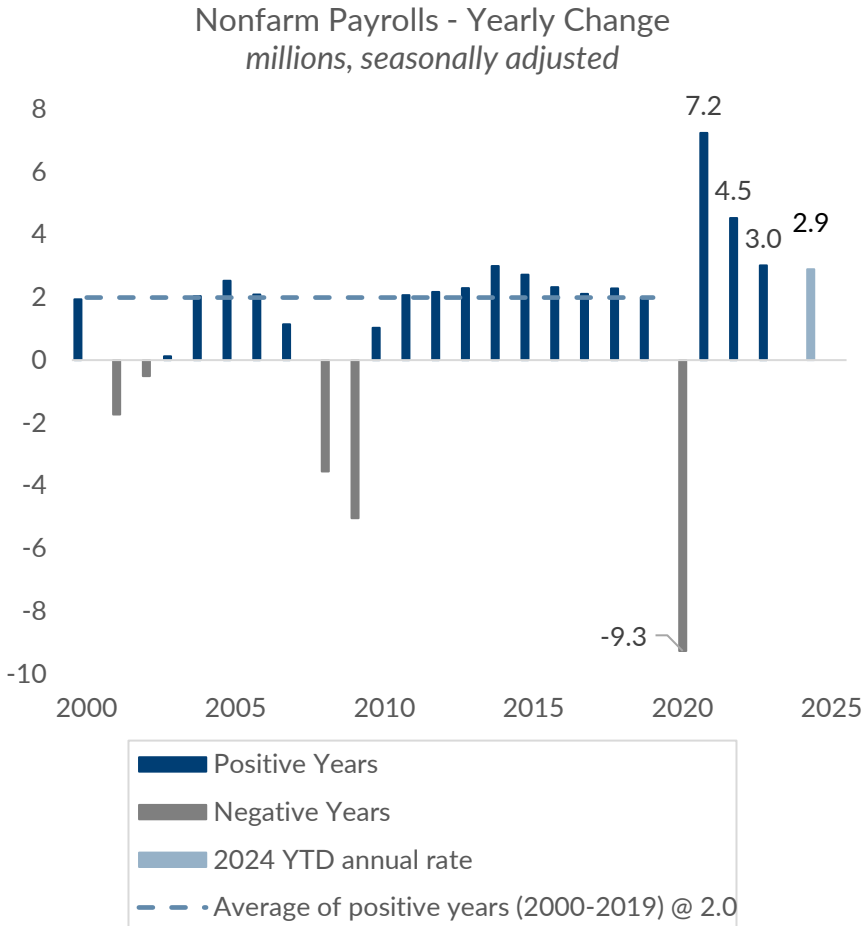
Paul Single
Managing Director and Senior Economist
paul.single@cnr.com

What Happened to the Expected Recession?

Why is the Economy So Strong?



Labor

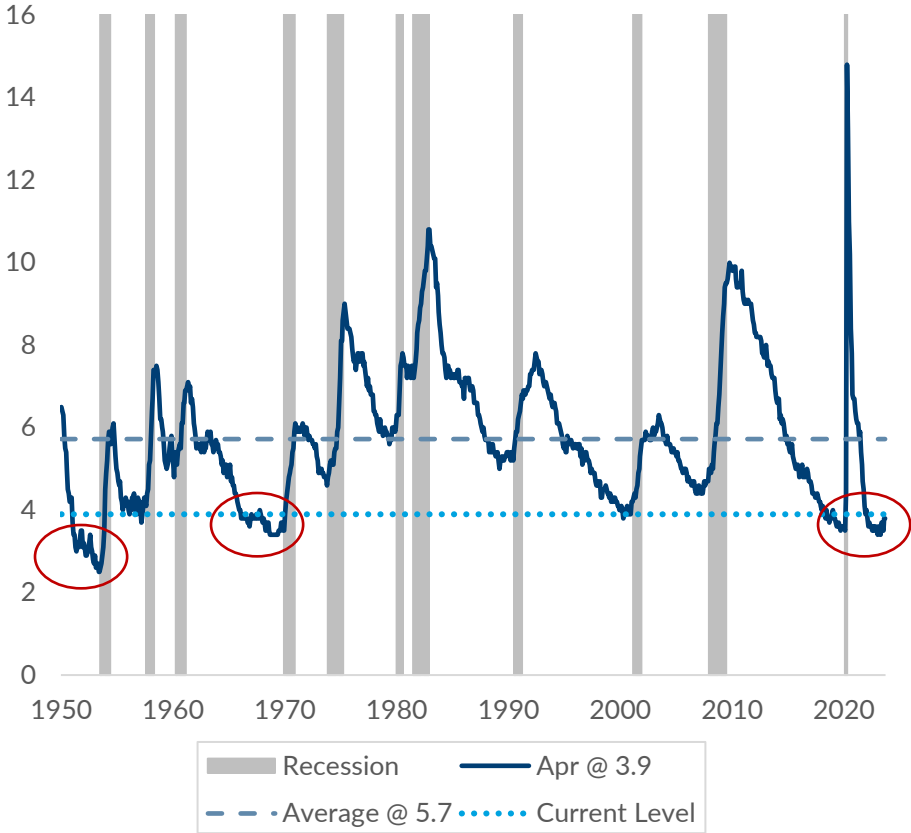


Data current as of May 3, 2024
 Source: Bureau of Labor Statistics
 Information is subject to change and is not a guarantee of future results.

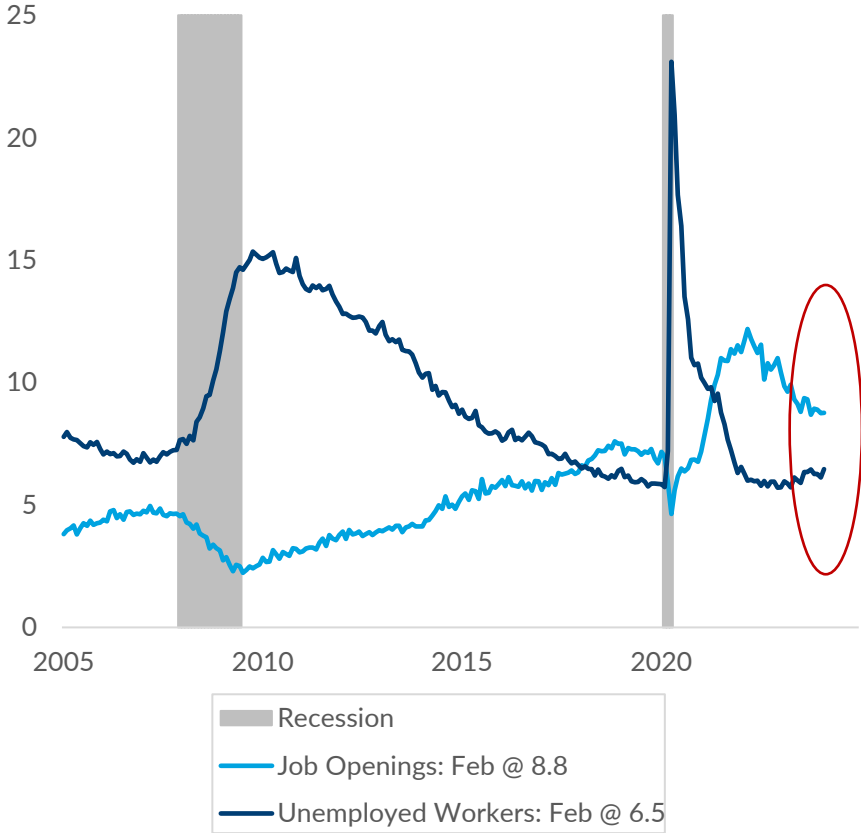


Labor

Unemployment Rate %, seasonally adjusted



Job Openings and Unemployed Workers millions, seasonally adjusted

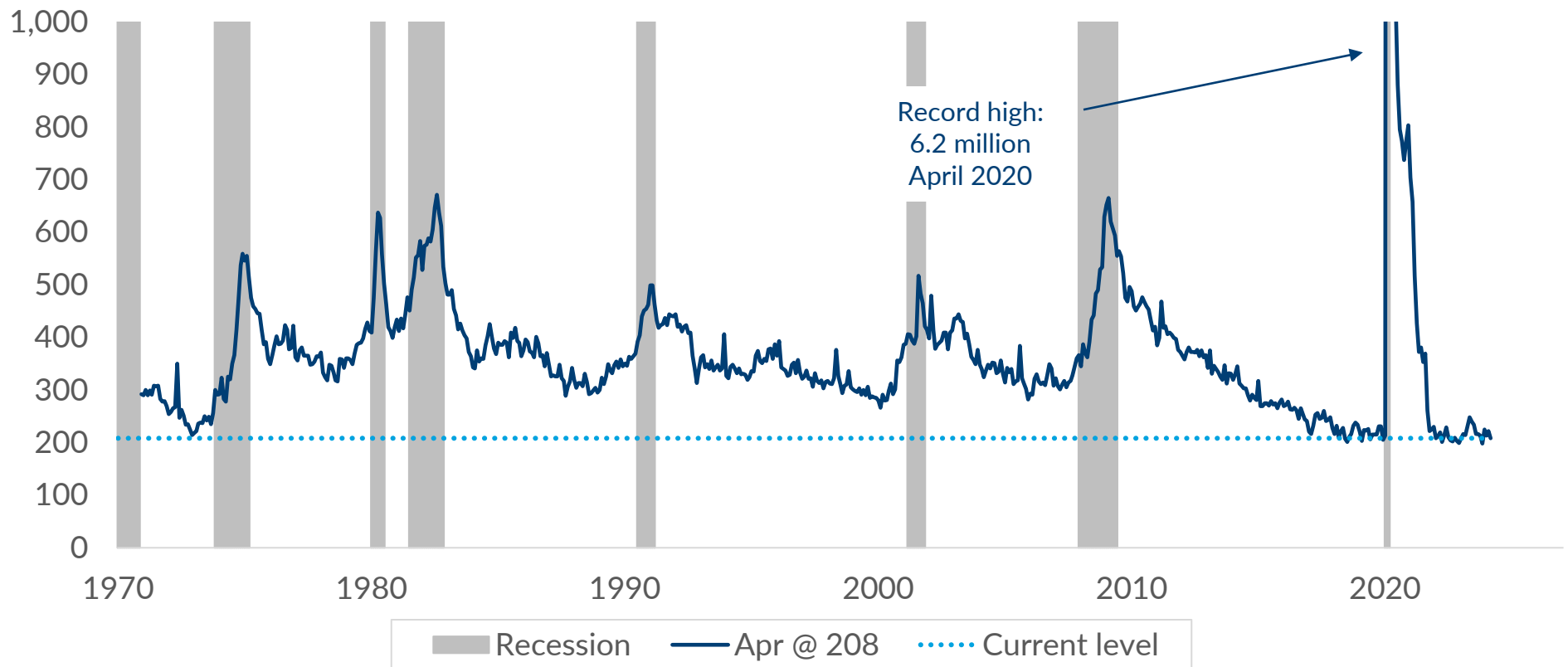


Data current as of May 3, 2024
 Source: Bureau of Labor Statistics
 Information is subject to change and is not a guarantee of future results.



Labor

Initial Claims for Unemployment Insurance
'000, *seasonally adjusted*

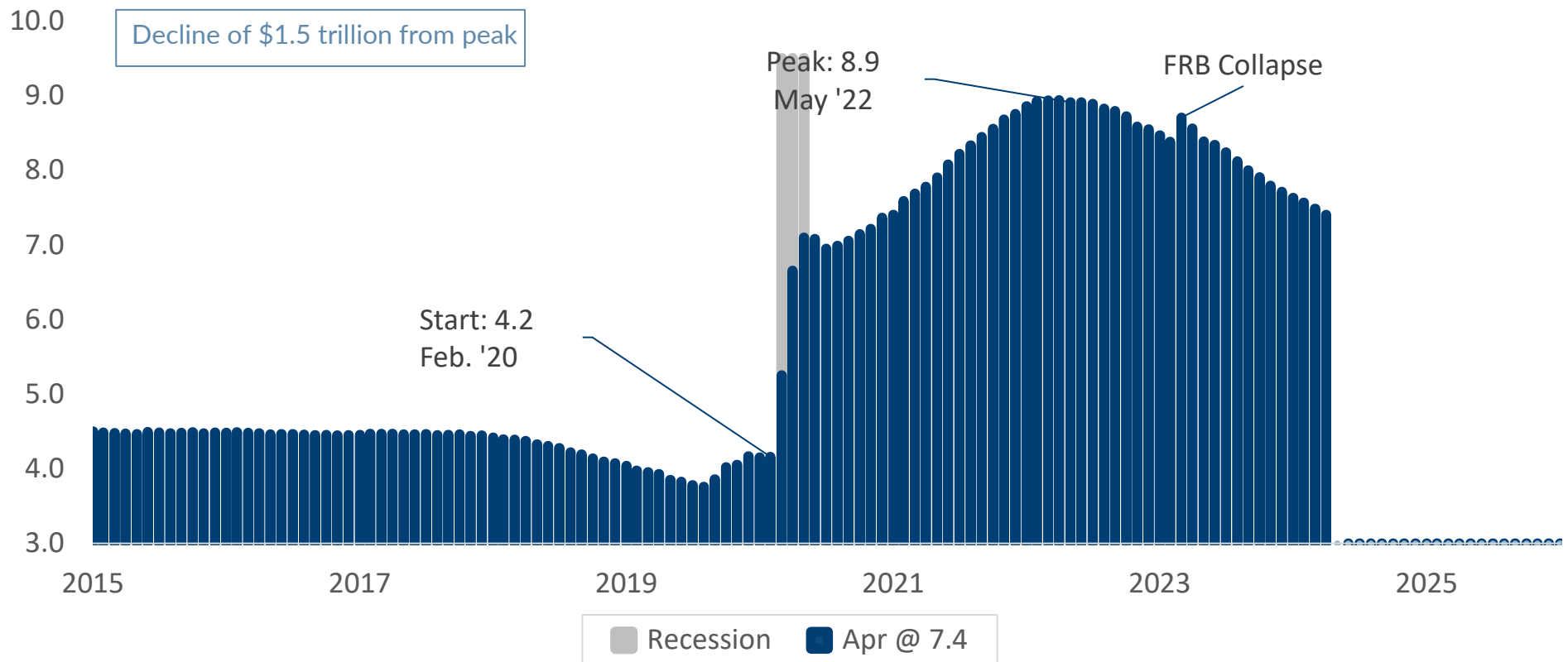


Data current as of May 2, 2024
 Source: Bureau of Labor Statistics
 Information is subject to change and is not a guarantee of future results.



Monetary Policy

Fed Balance Sheet
 \$, trillions, not seasonally adjusted

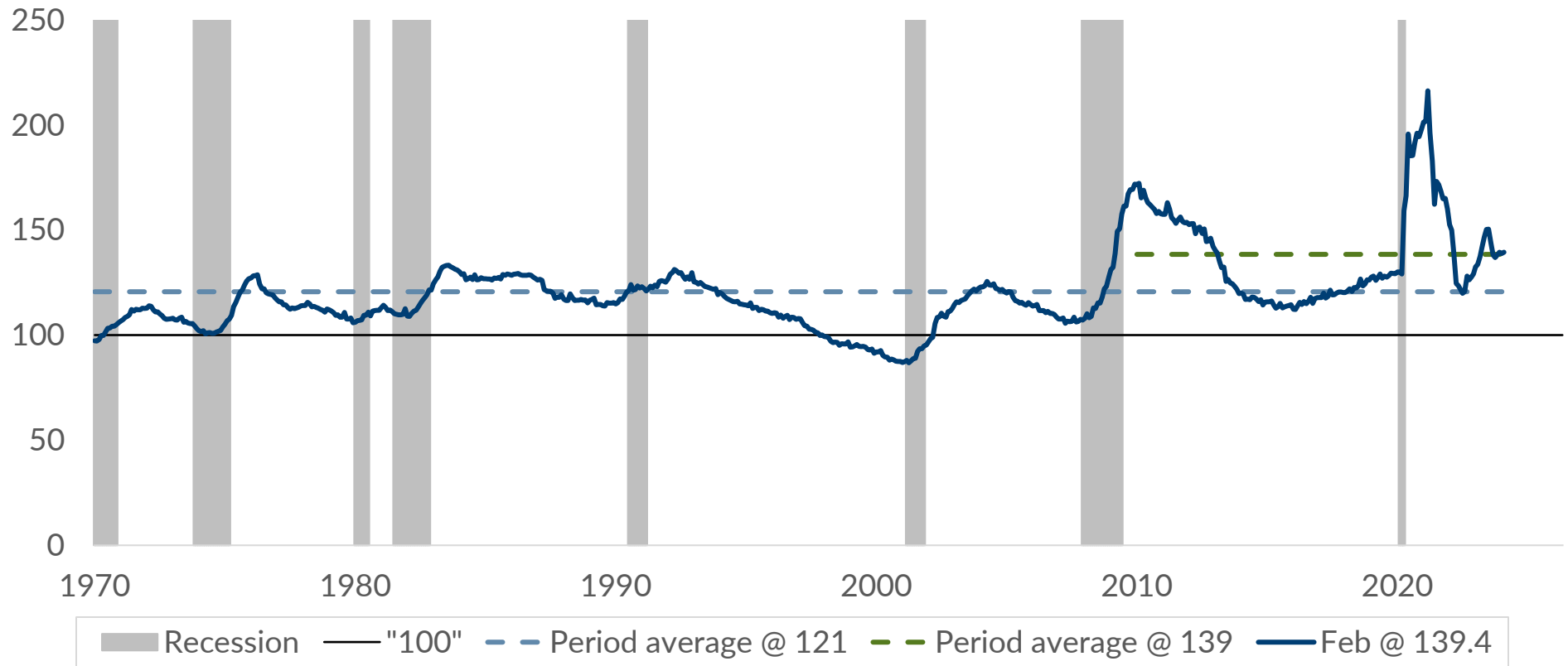


Data current as of May 3, 2024
 Source: Federal Reserve Bank
 Information is subject to change and is not a guarantee of future results.



Fiscal Policy

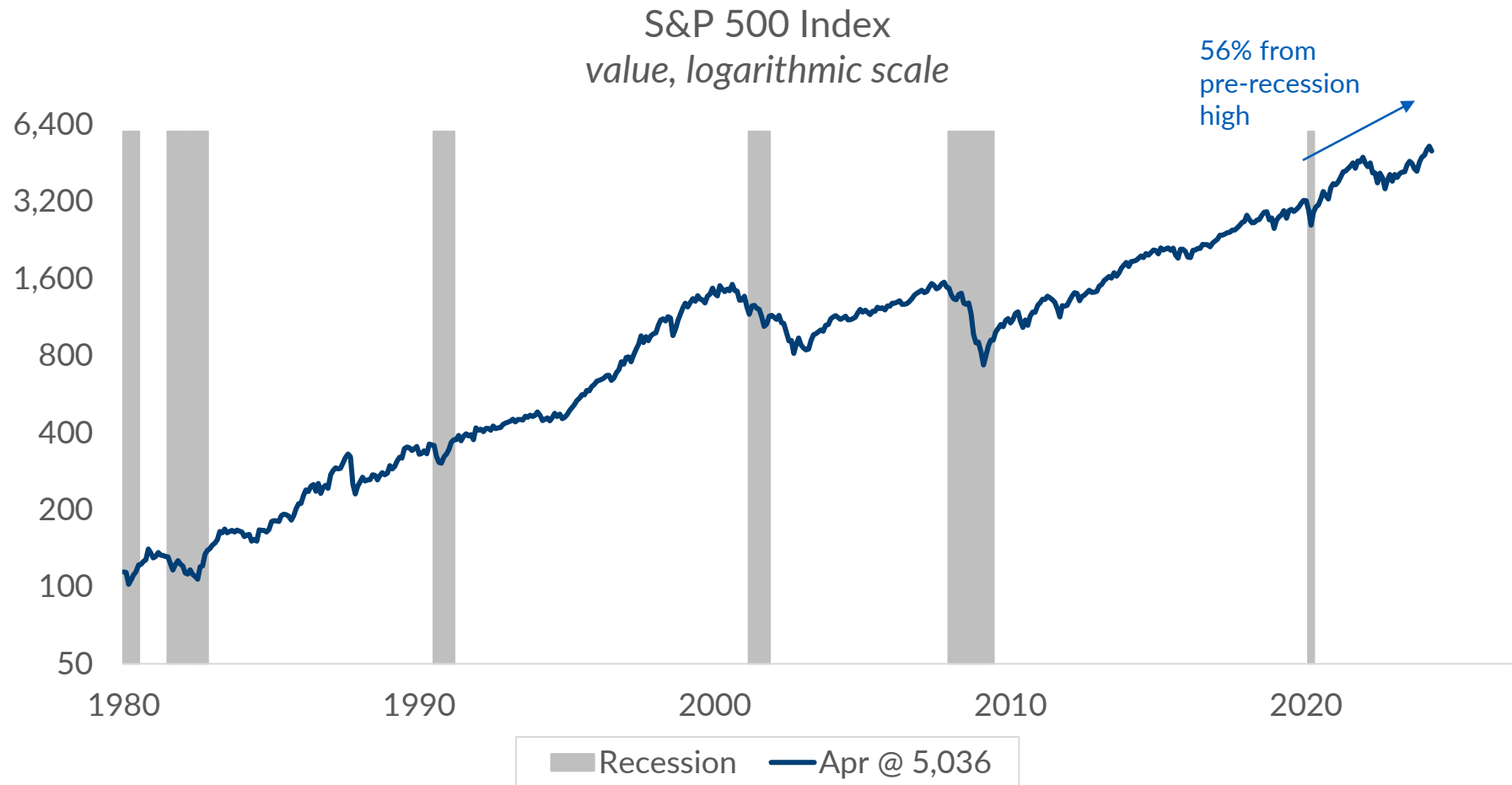
U.S. Federal Debt: Outlays as a Percent of Revenue
%, 12-month rolling change



Data current as of May 3, 2024
 Source: U.S. Treasury
 Information is subject to change and is not a guarantee of future results.



Household Wealth

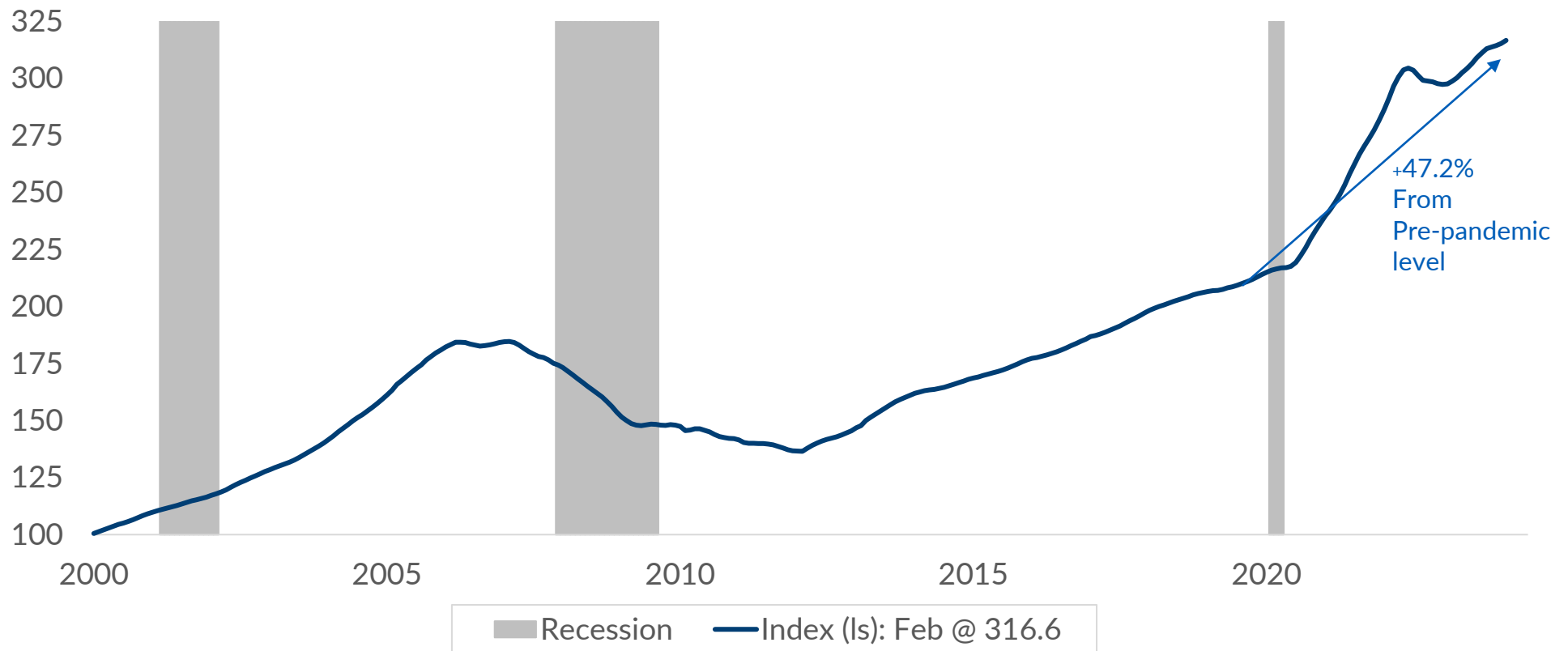


Data current as of May 1, 2024
Source: : S&P Dow Jones Indices
Information is subject to change and is not a guarantee of future results.



Household Wealth

Home Price Index: S&P CoreLogic Case Shiller - U.S. National
index value, seasonally adjusted

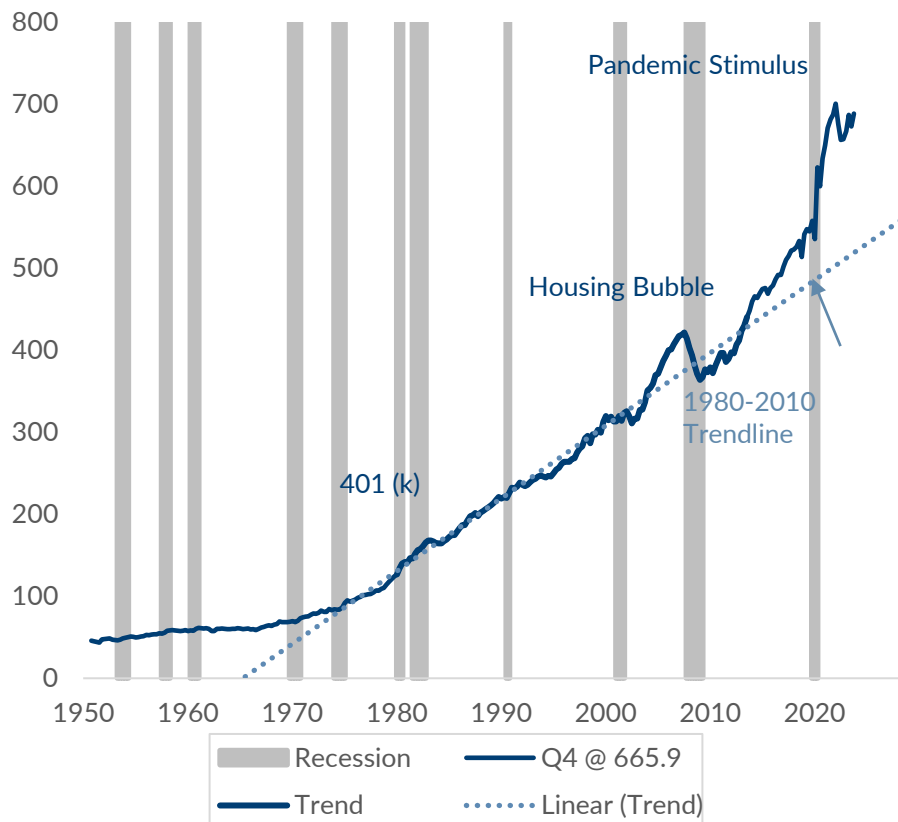


Data current as of May 1, 2024
 Source: S&P CoreLogic Case Shiller
 Information is subject to change and is not a guarantee of future results.

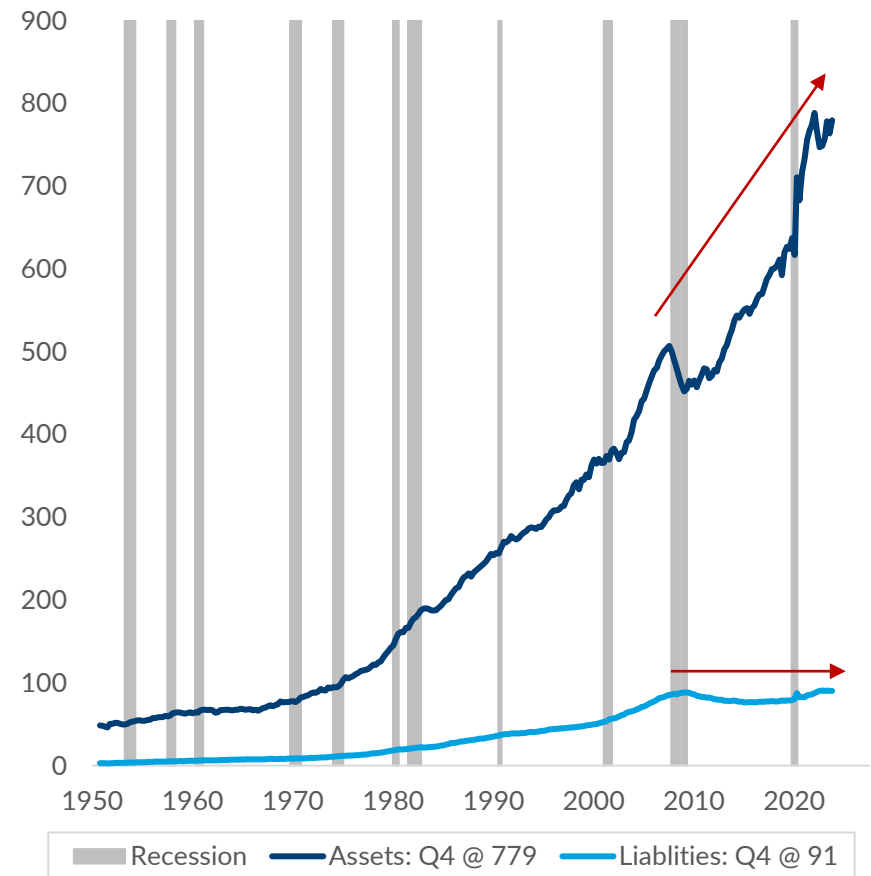


Household Wealth

Household Net Worth as a Percent of GDP



Household Assets and Liabilities as a Percent of GDP

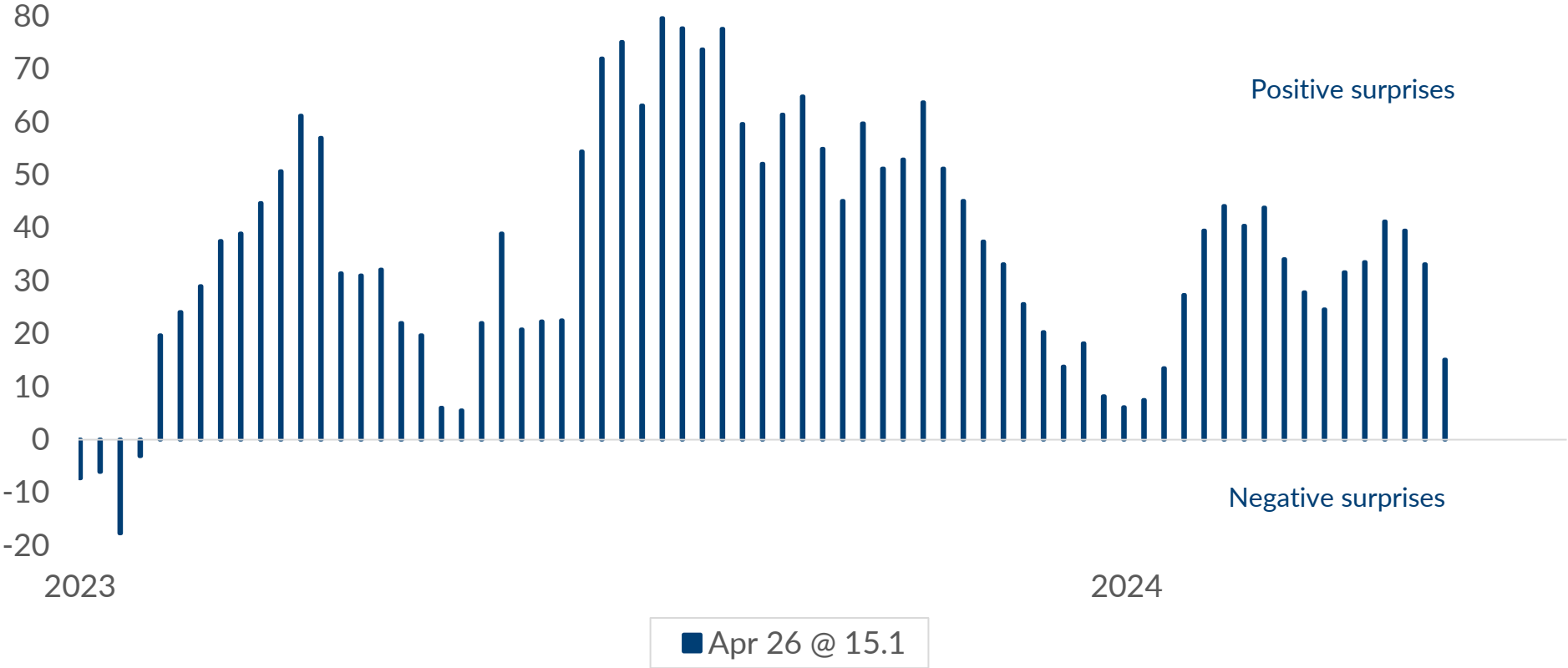


Data current as of May 3, 2024
 Source: Federal Reserve Bank
 Information is subject to change and is not a guarantee of future results.



Economy

Citi Economic Surprise Index
measures economic data surprises relative to market expectations

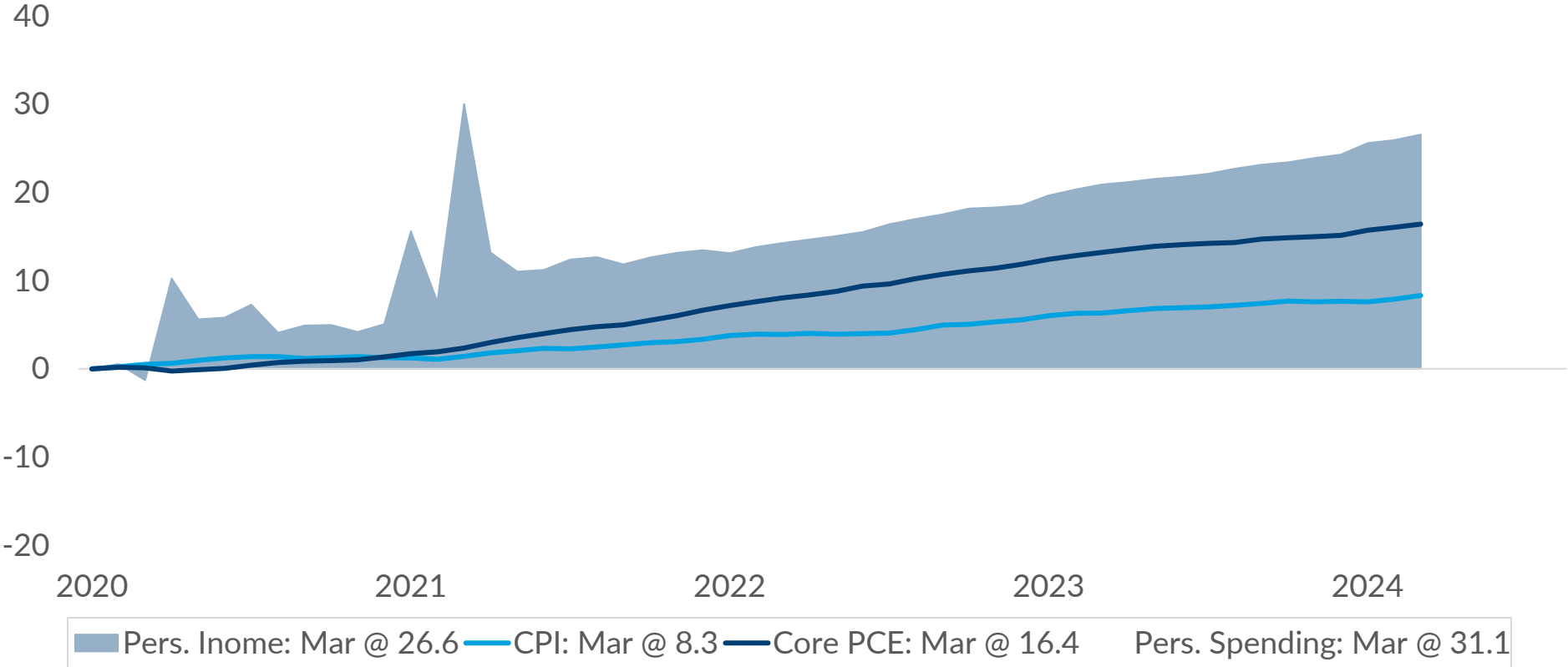


Data current as of May 3, 2024
Source: Citibank Global Markets
Information is subject to change and is not a guarantee of future results.



Spending

Income, Inflation, & Spending
%, indexed at 0.0 on January 2020

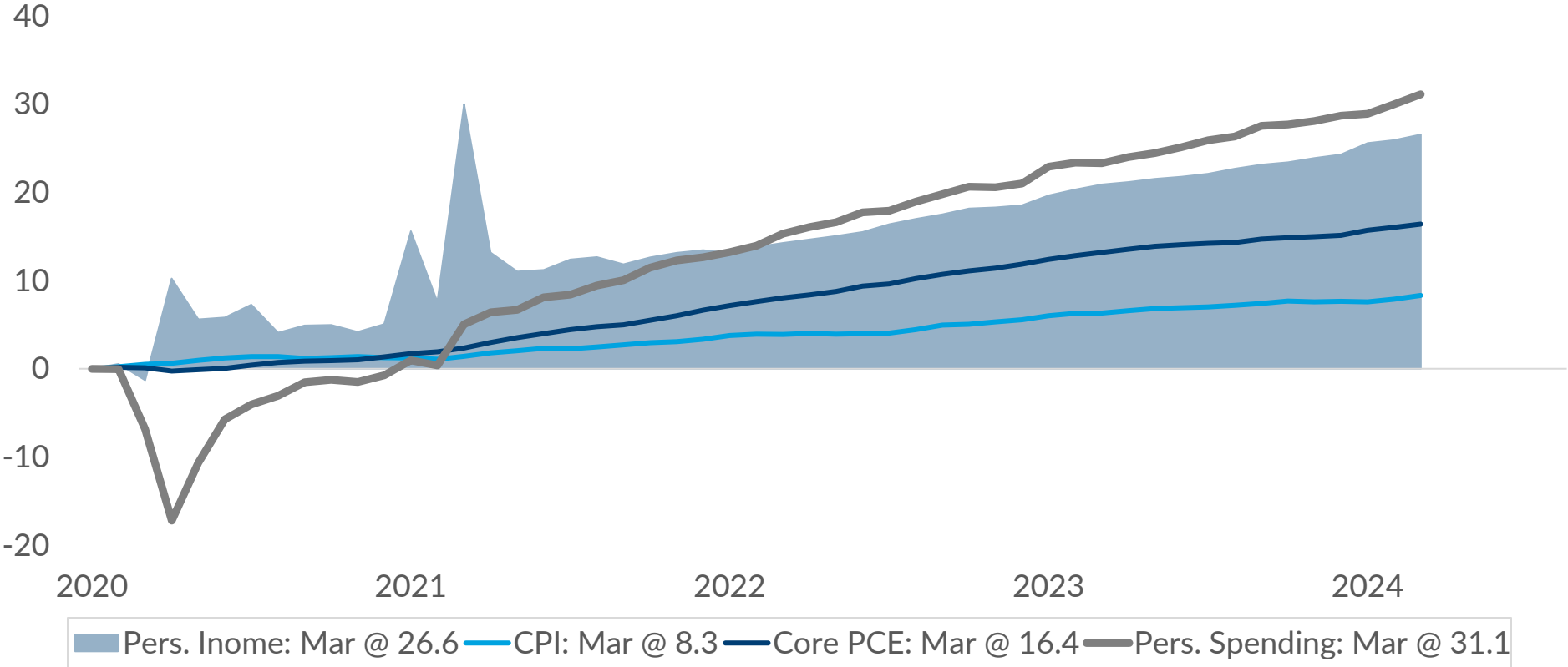


Data current as of April 29, 2024
Source: Bureau of Economic Analysis, Bureau of Labor Statistics
Information is subject to change and is not a guarantee of future results.



Spending

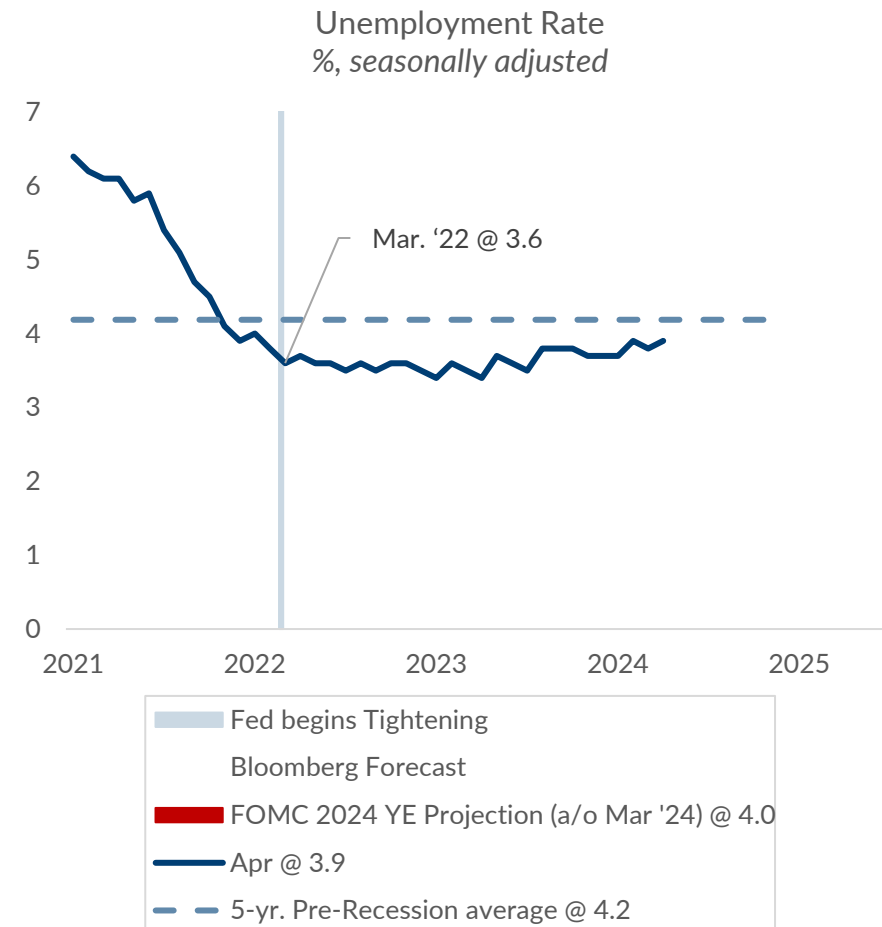
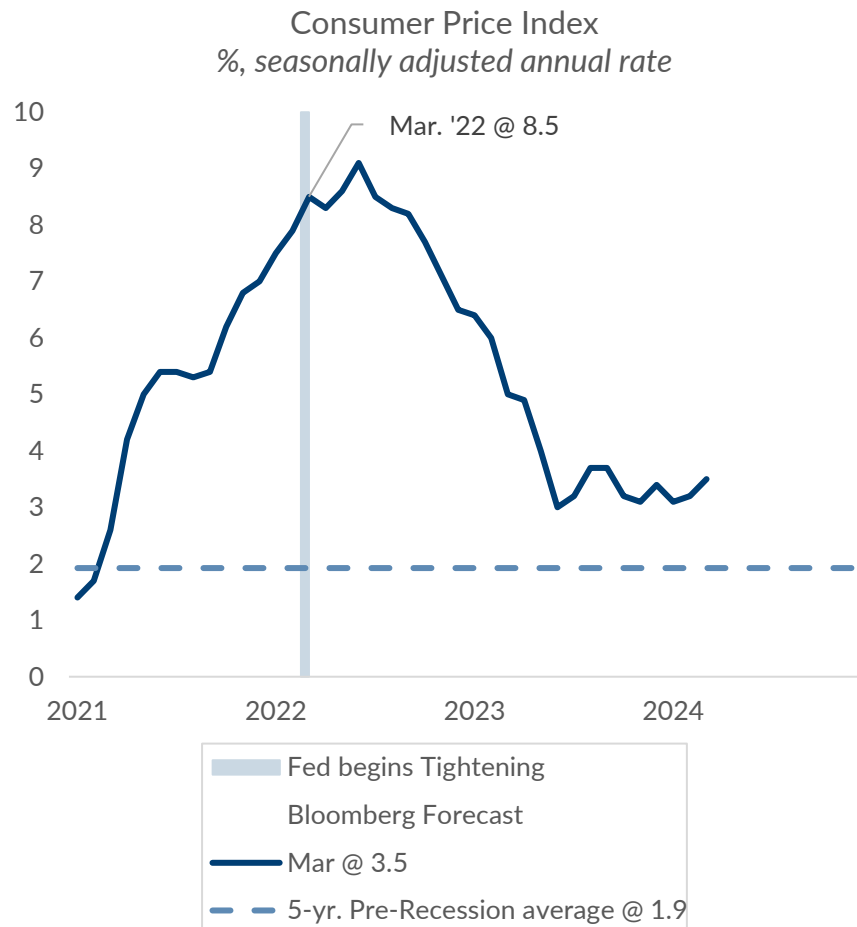
Income, Inflation, & Spending
%, indexed at 0.0 on January 2020



Data current as of April 29, 2024
Source: Bureau of Economic Analysis, Bureau of Labor Statistics
Information is subject to change and is not a guarantee of future results.



The Economy and The Fed



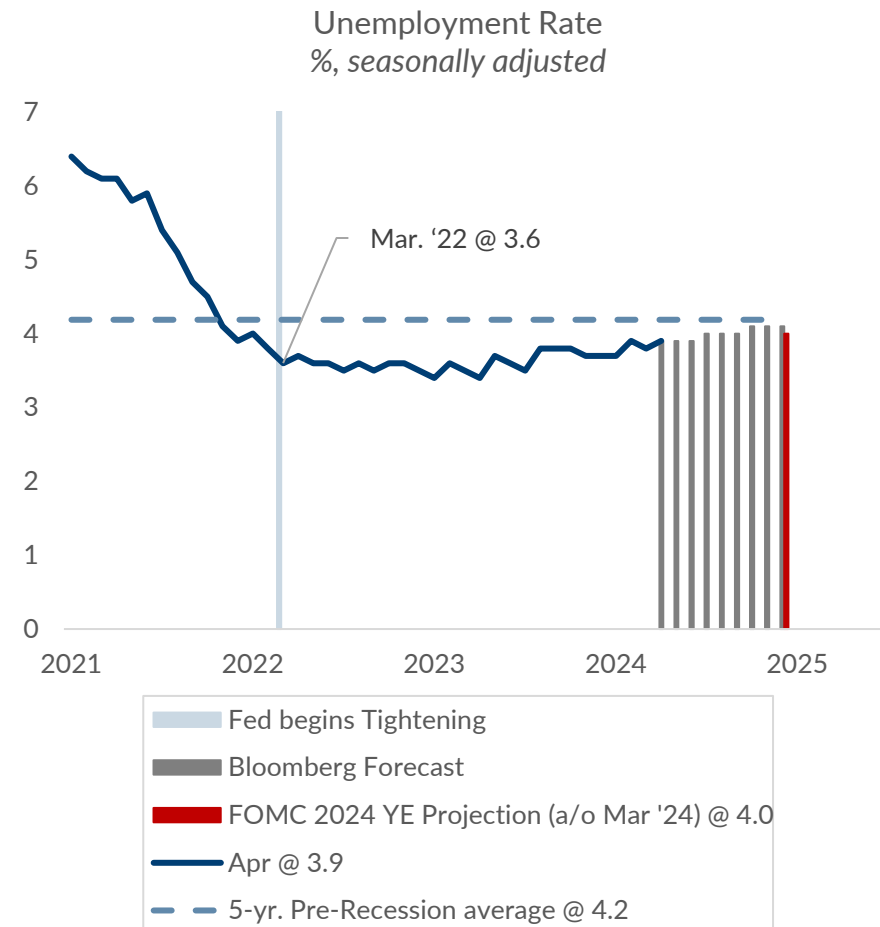
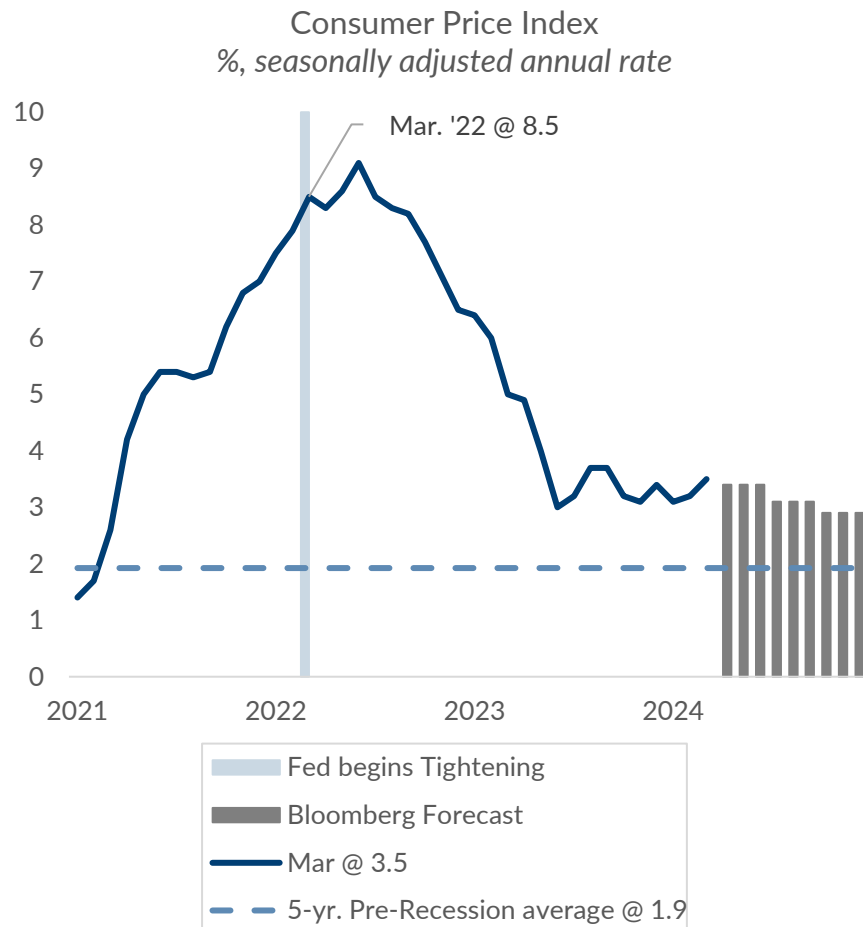
Data current as of May 3, 2024

Source: Bureau of Labor Statistics, Bloomberg Composite of Economic Forecasts

Information is subject to change and is not a guarantee of future results.



The Economy and The Fed



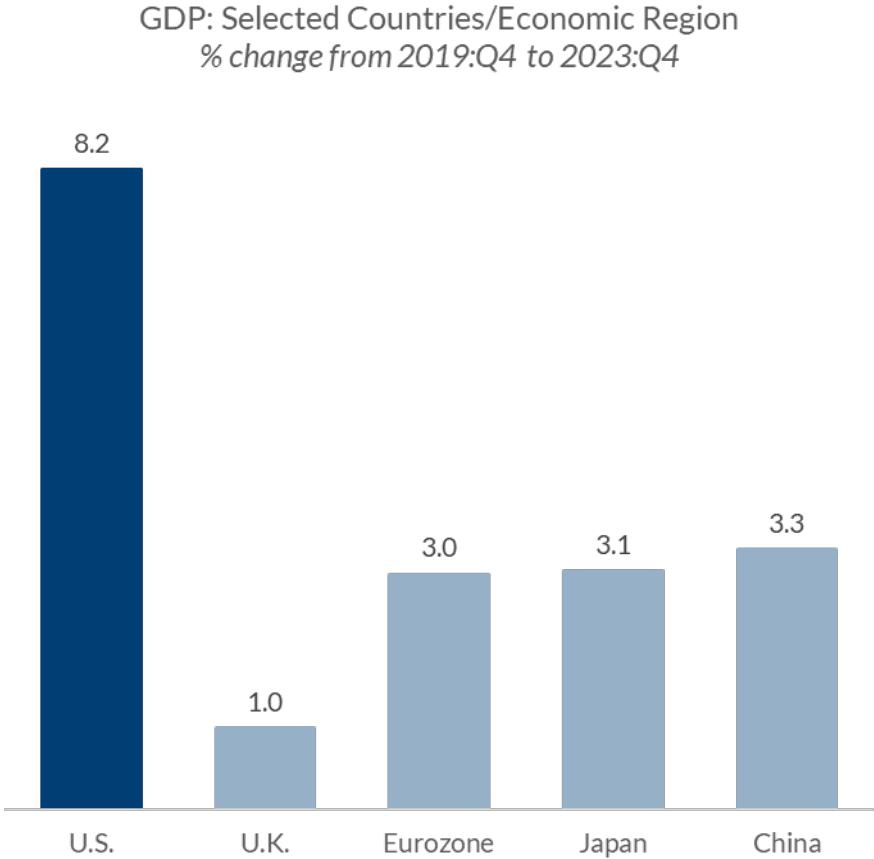
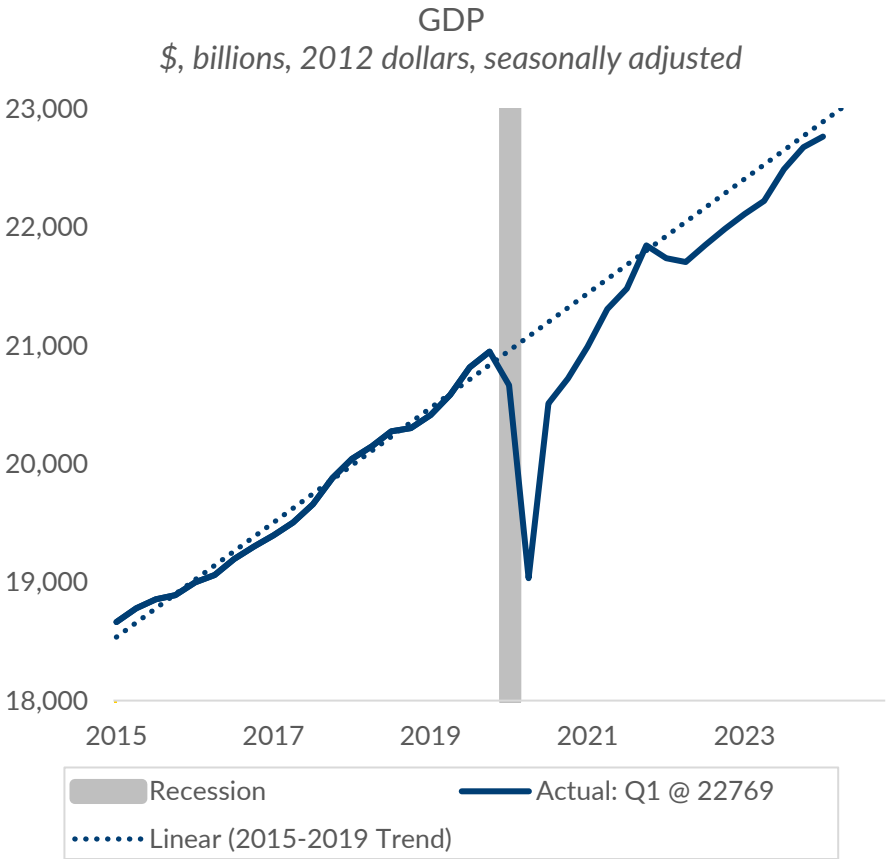
Data current as of May 3, 2024

Source: Bureau of Labor Statistics, Bloomberg Composite of Economic Forecasts

Information is subject to change and is not a guarantee of future results.



GDP



Data current as of April 29, 2024
 Source: : Bureau of Economic Research, UK Office for National Statistics, Eurostat, Economic and Social Research Institute Japan, National Bureau of Statistics of China
 Information is subject to change and is not a guarantee of future results.



So, What is Happening
Now?



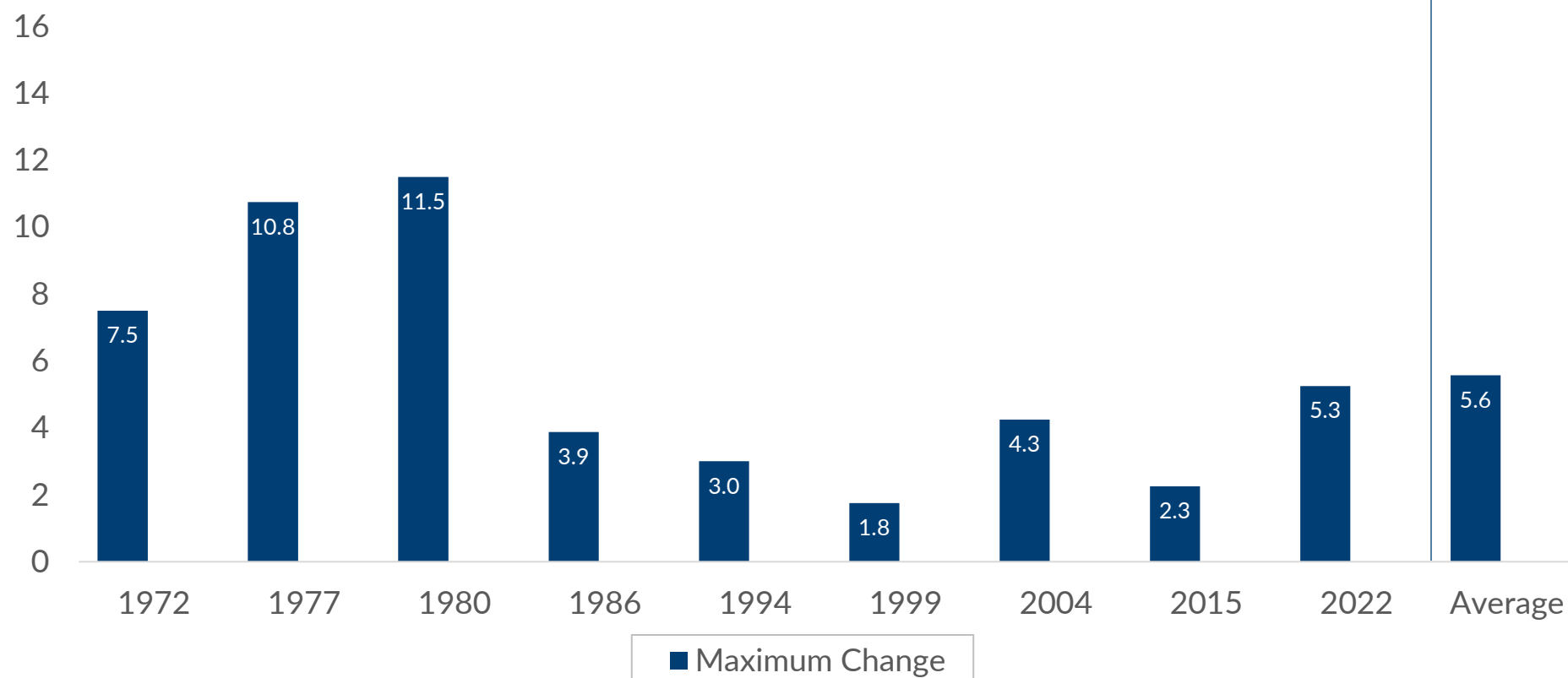
“Geopolitical tensions have become the single most important risk confronting the global economy.”

-Brookings
January 17, 2024



The Fed

Federal Funds Rate
history of past tightening cycles



Data current as of May 4, 2024

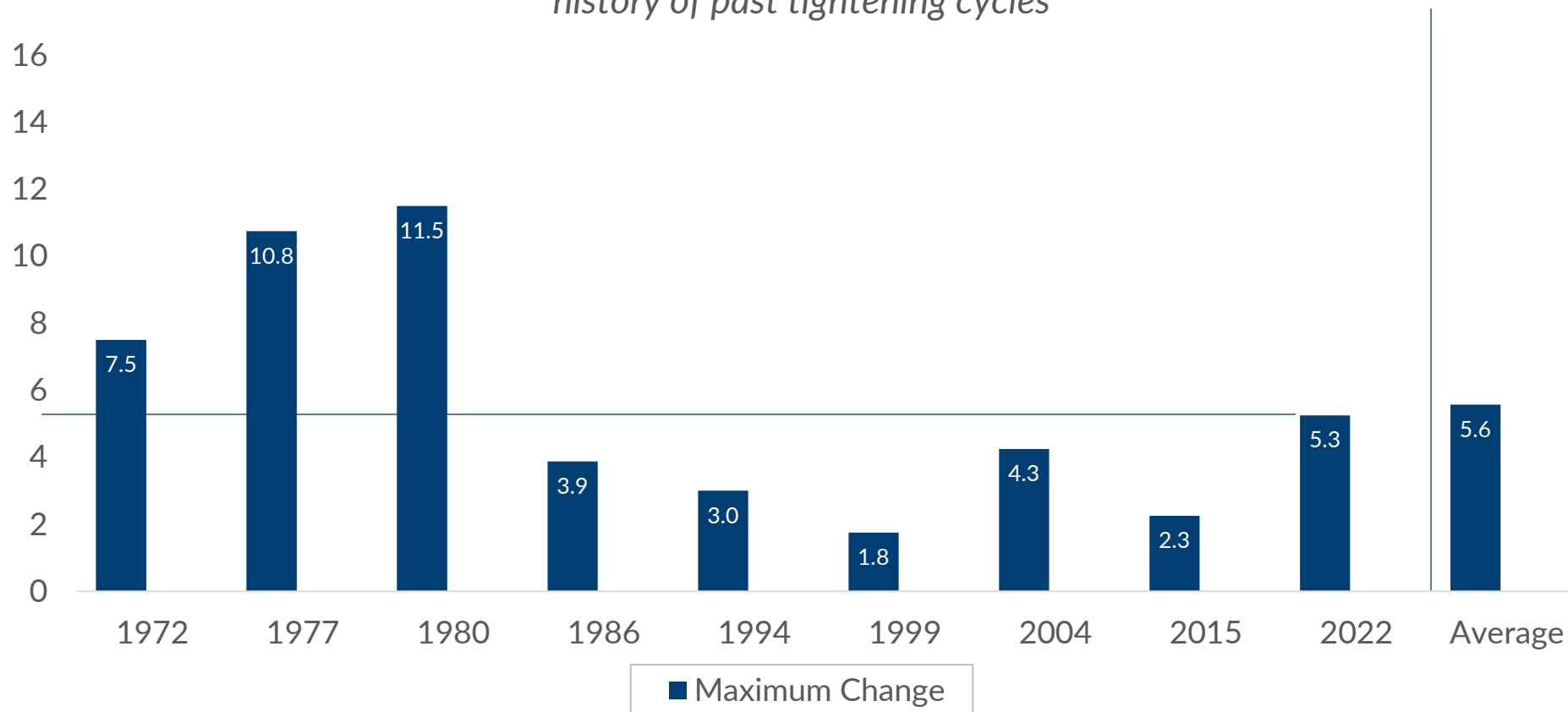
Source: Federal Reserve Bank

Information is subject to change and is not a guarantee of future results.



The Fed

Federal Funds Rate
history of past tightening cycles



Data current as of May 4, 2024

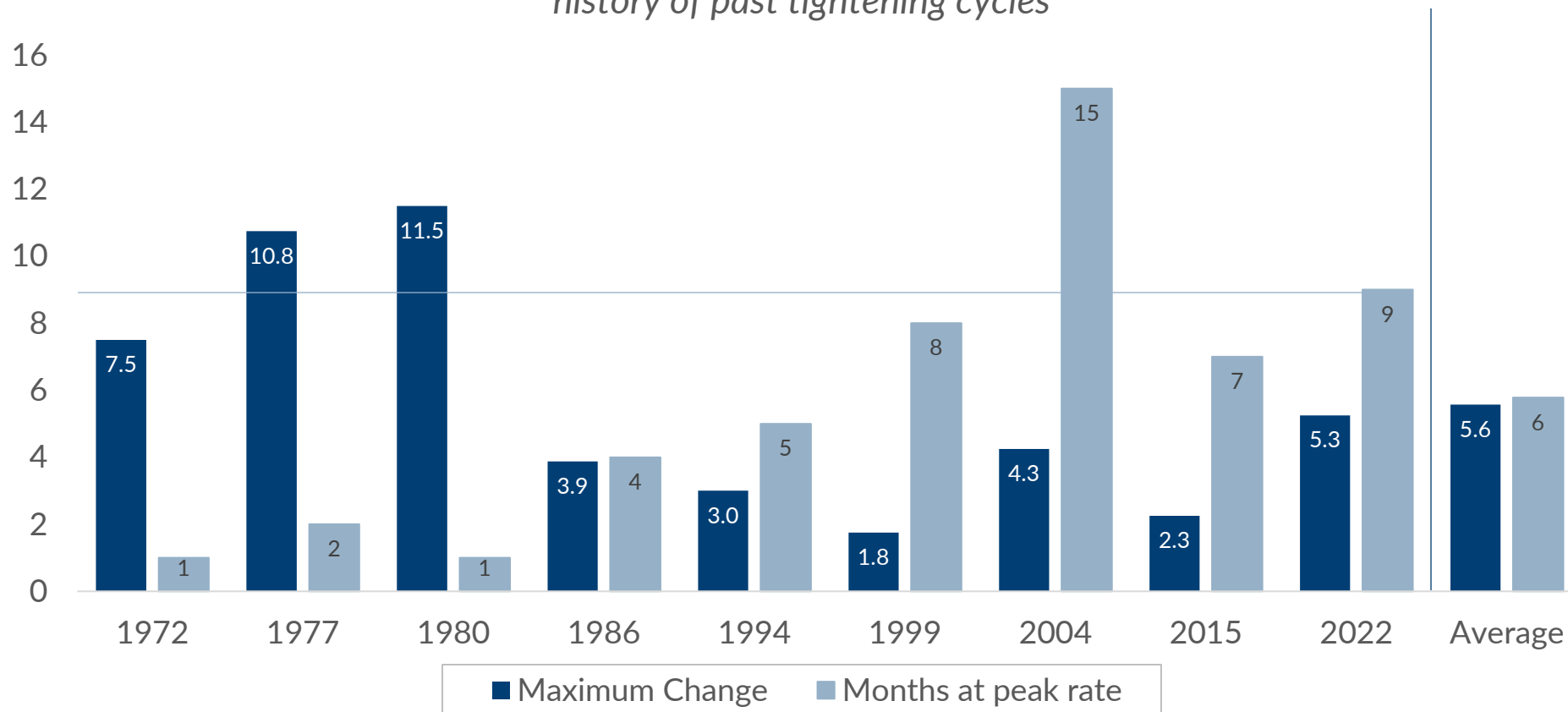
Source: Federal Reserve Bank

Information is subject to change and is not a guarantee of future results.



The Fed

Federal Funds Rate
history of past tightening cycles

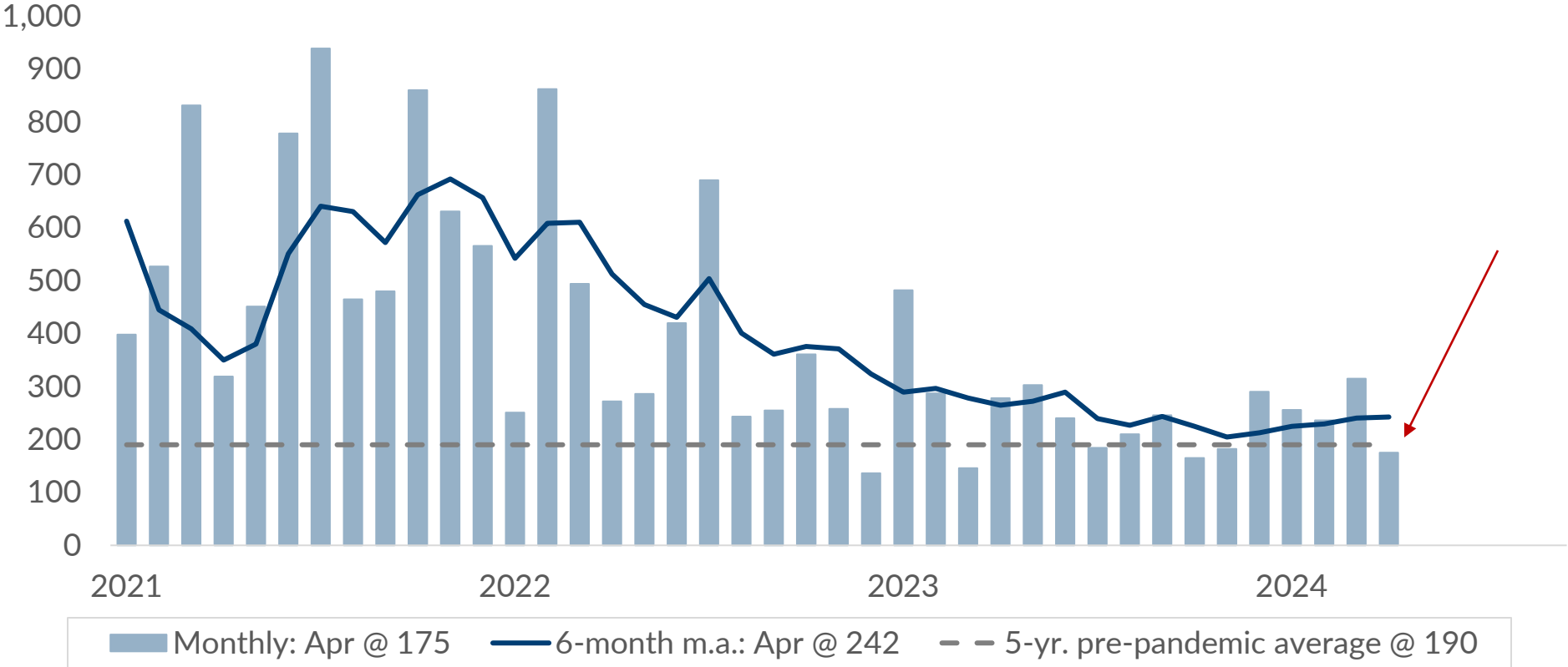


Data current as of May 4, 2024
 Source: Federal Reserve Bank
 Information is subject to change and is not a guarantee of future results.



Labor

Nonfarm Payrolls '000, seasonally adjusted

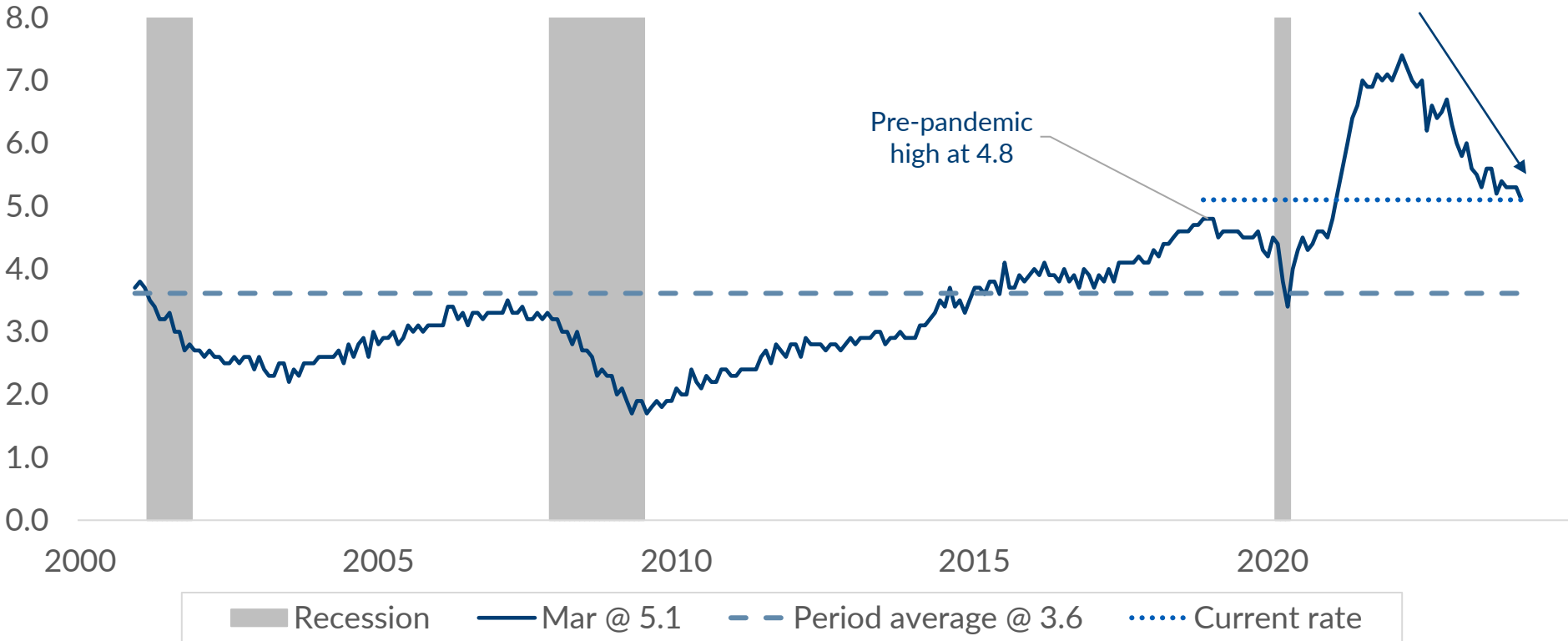


Data current as of May 3, 2024
 Source: Bureau of Labor Statistics
 Information is subject to change and is not a guarantee of future results.



Labor

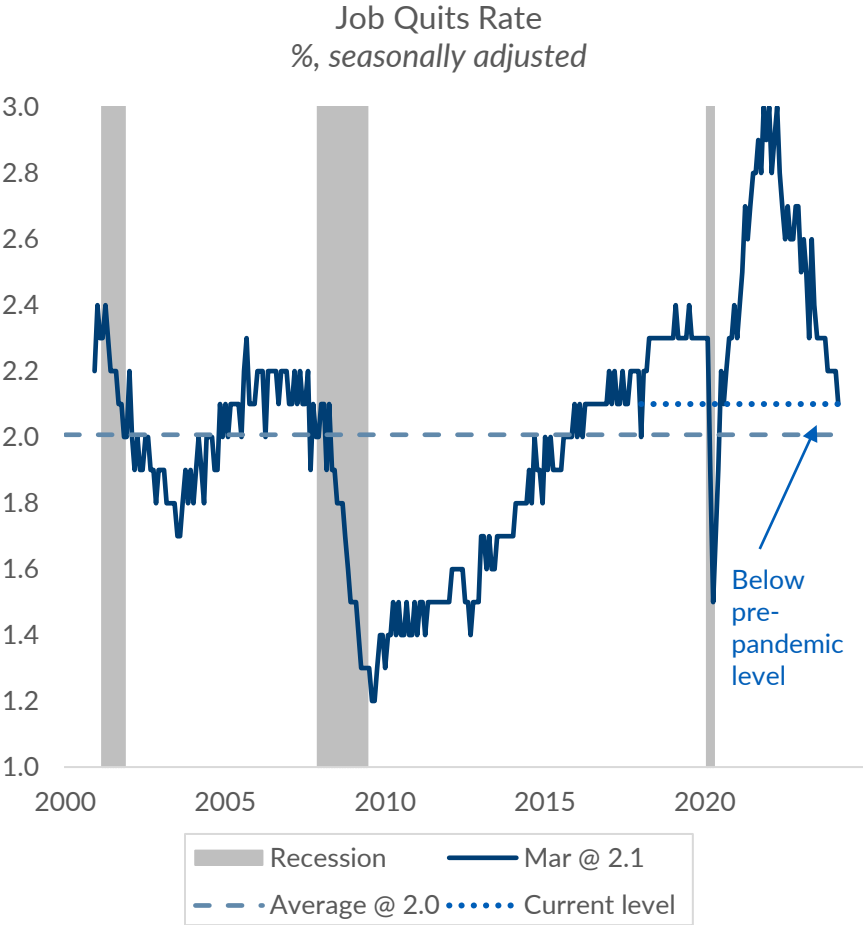
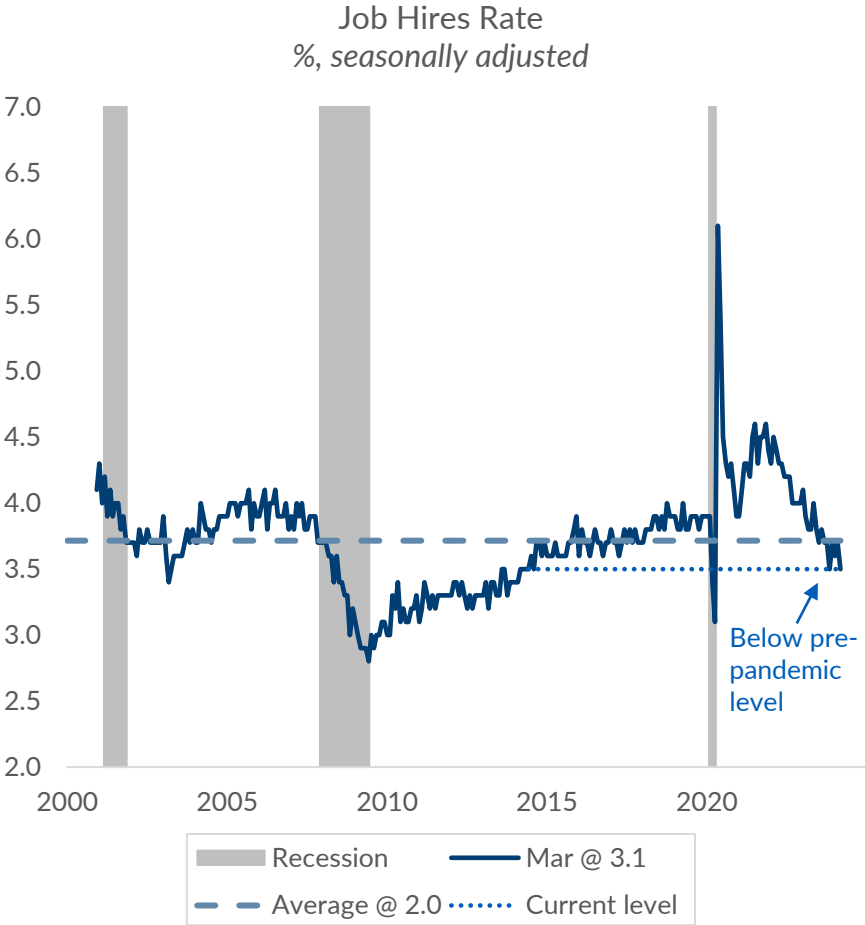
Job Openings Rate
%, *seasonally adjusted*



Data current as of May 3, 2024
Source: Bureau of Labor Statistics
Information is subject to change and is not a guarantee of future results.



Labor

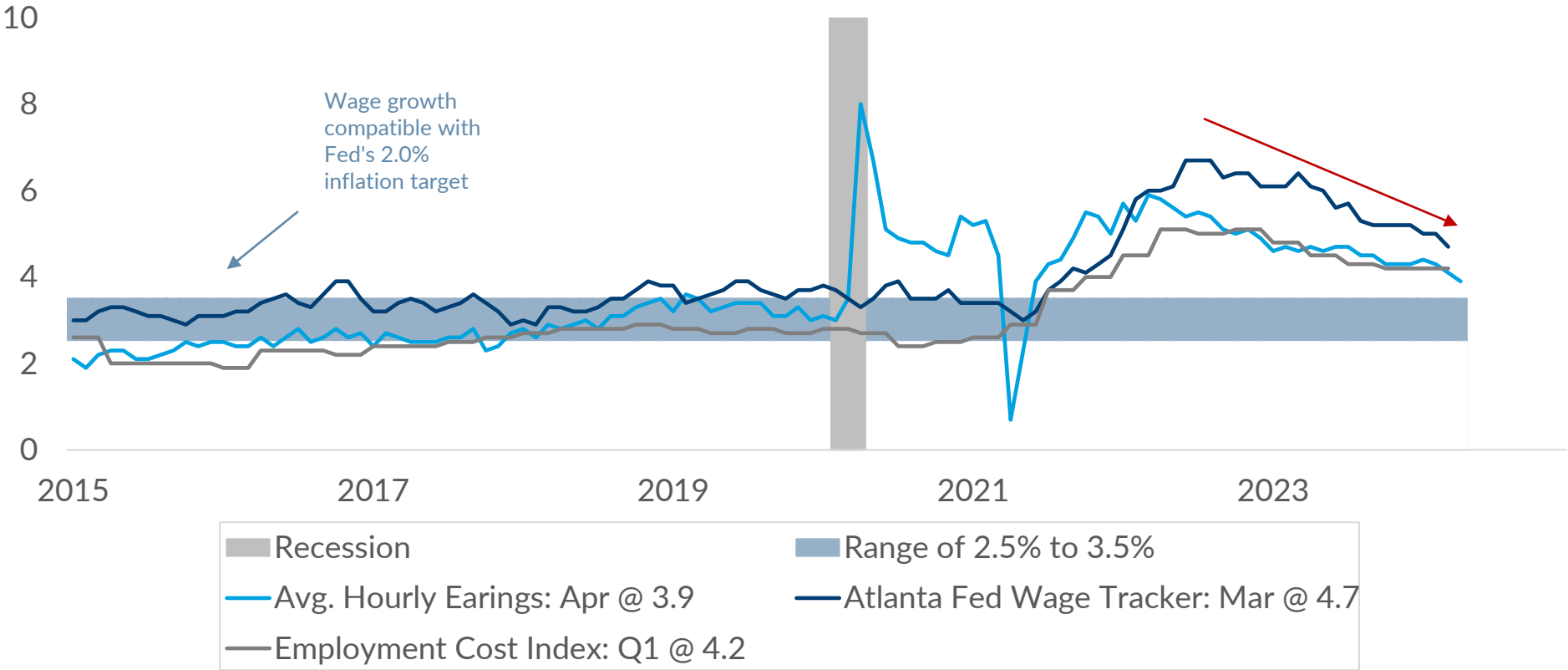


Data current as of May 3, 2024
Source: Bureau of Labor Statistics
Information is subject to change and is not a guarantee of future results.



Labor

Wages % change, y-o-y

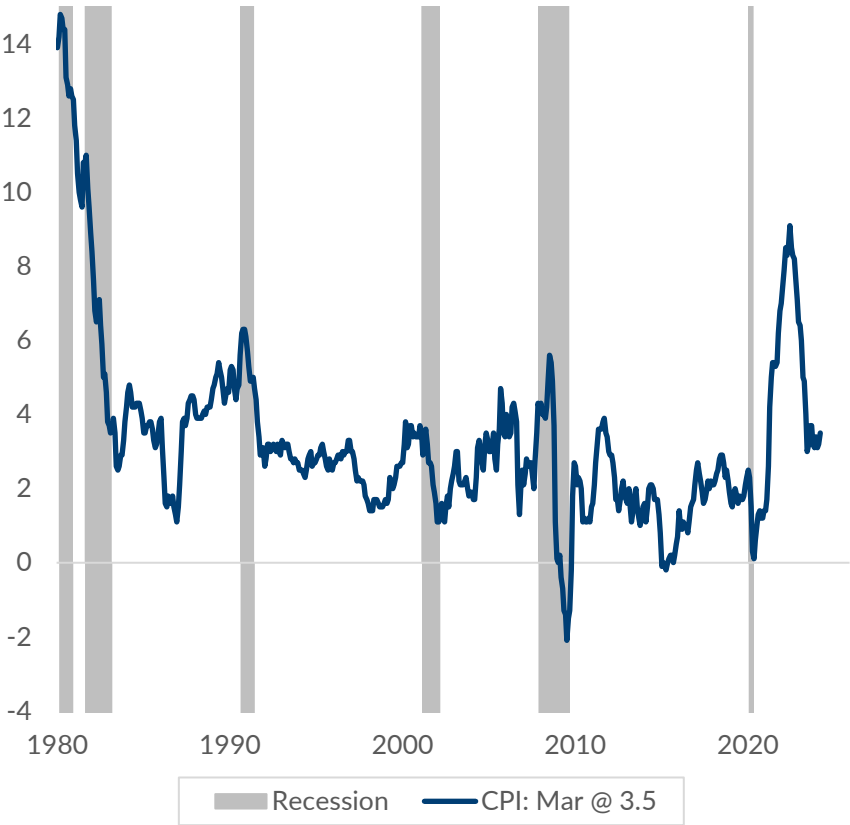


Data current as of May 3, 2024
 Source: Bureau of Labor Statistics
 Information is subject to change and is not a guarantee of future results.

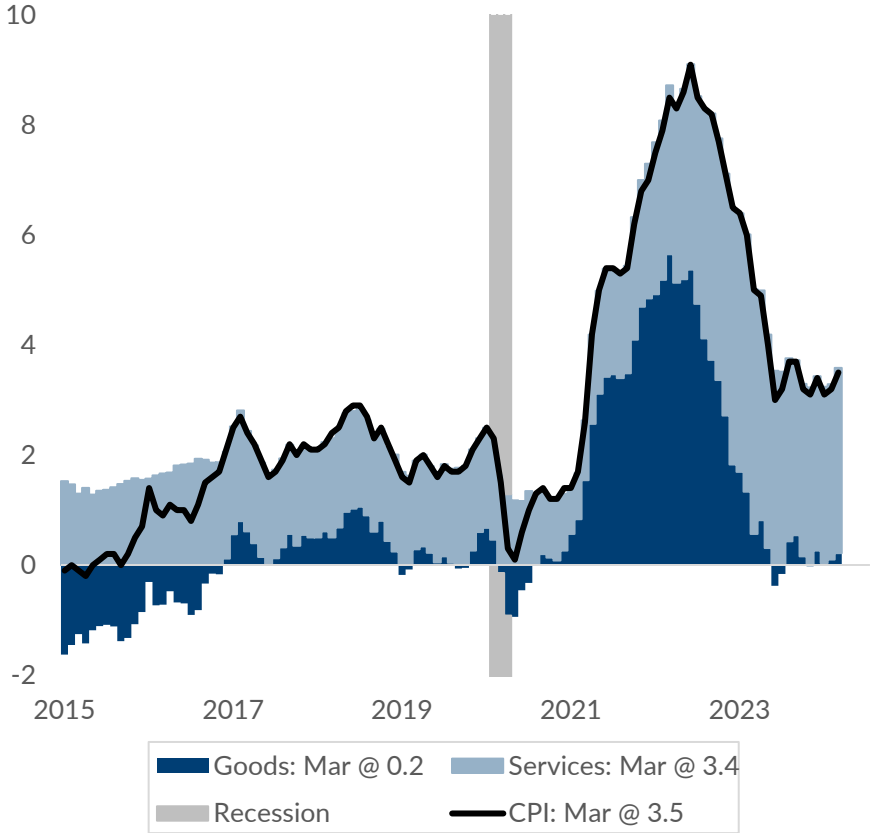


Inflation

Consumer Price Index
% change, y-o-y, seasonally adjusted



CPI: Contribution of Goods and Services
% change, y-o-y, seasonally adjusted

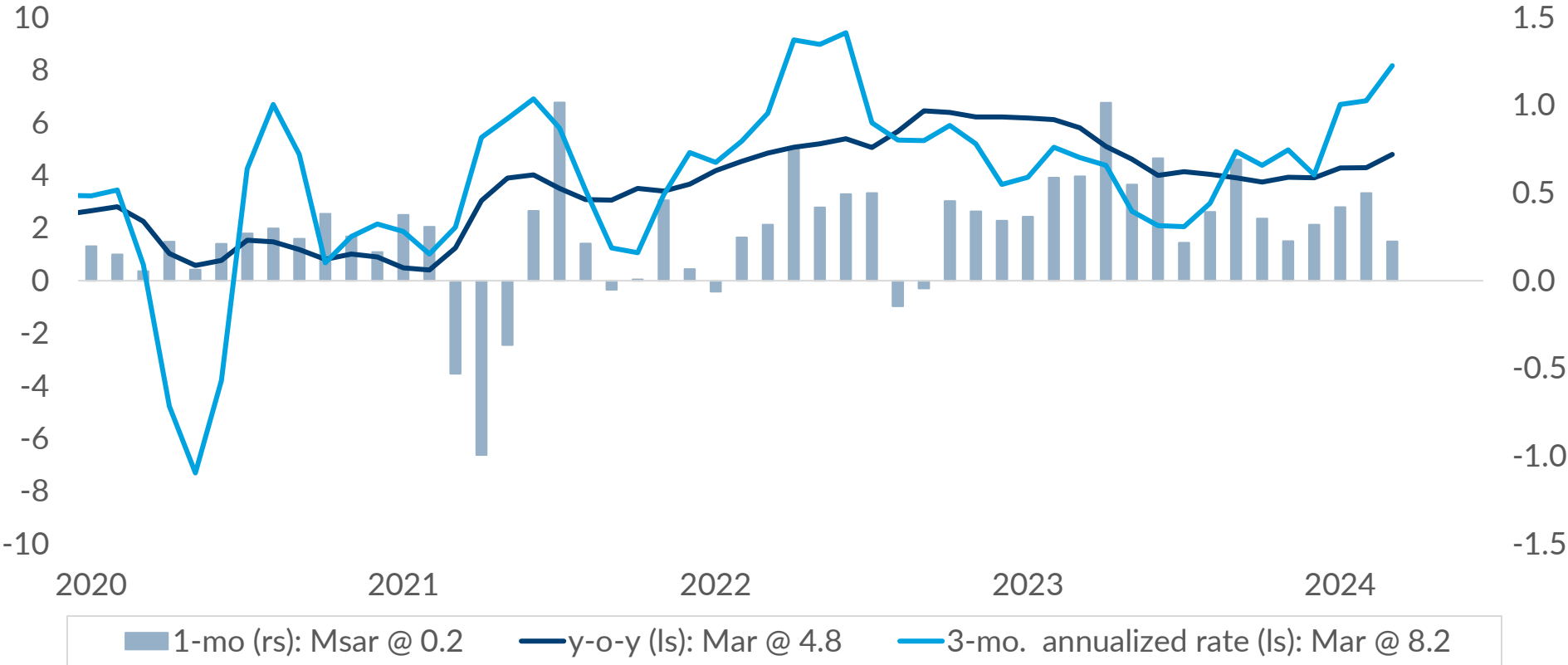


Data current as of May 4, 2024
 Source: Bureau of Labor Statistics
 Information is subject to change and is not a guarantee of future results.



Inflation

CPI: Service less Shelter (SuperCore)
% change, seasonally adjusted

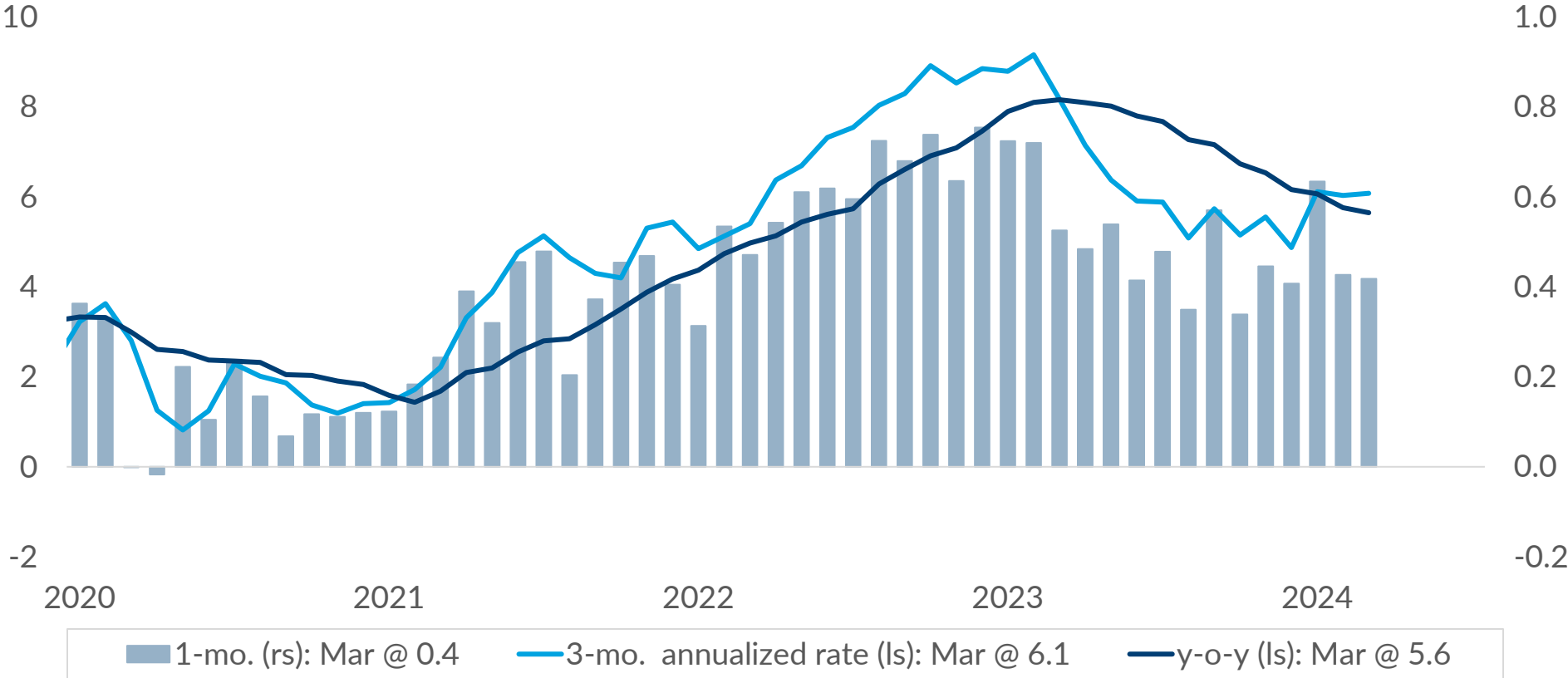


Data current as of May 4, 2024
Source: Bureau of Labor Statistics, Federal Reserve Bank of Atlanta
Information is subject to change and is not a guarantee of future results.



Inflation

CPI: Shelter
%, seasonally adjusted

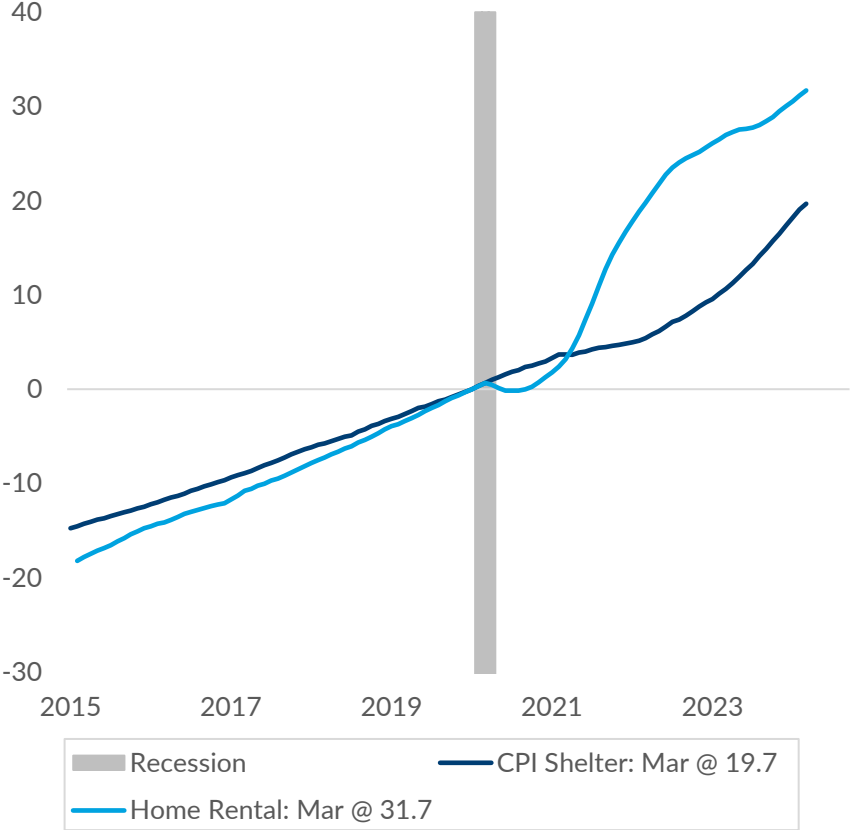


Data current as of May 4, 2024
 Source: Bureau of Labor Statistics
 Information is subject to change and is not a guarantee of future results.

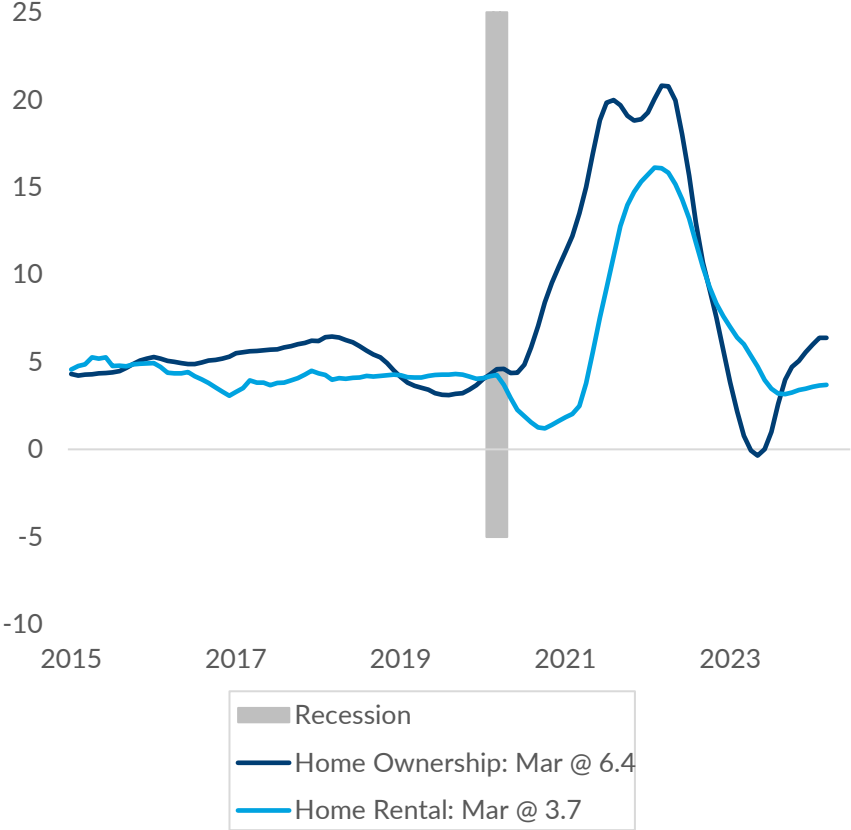


Inflation

CPI Shelter and Zillow Rent Index % change, indexed at "0" January 2020



Housing Costs % change, y-o-y



Data current as of May 3, 2024
 Source: S&P CoreLogic Case-Shiller, Zillow, Inc.
 Information is subject to change and is not a guarantee of future results.

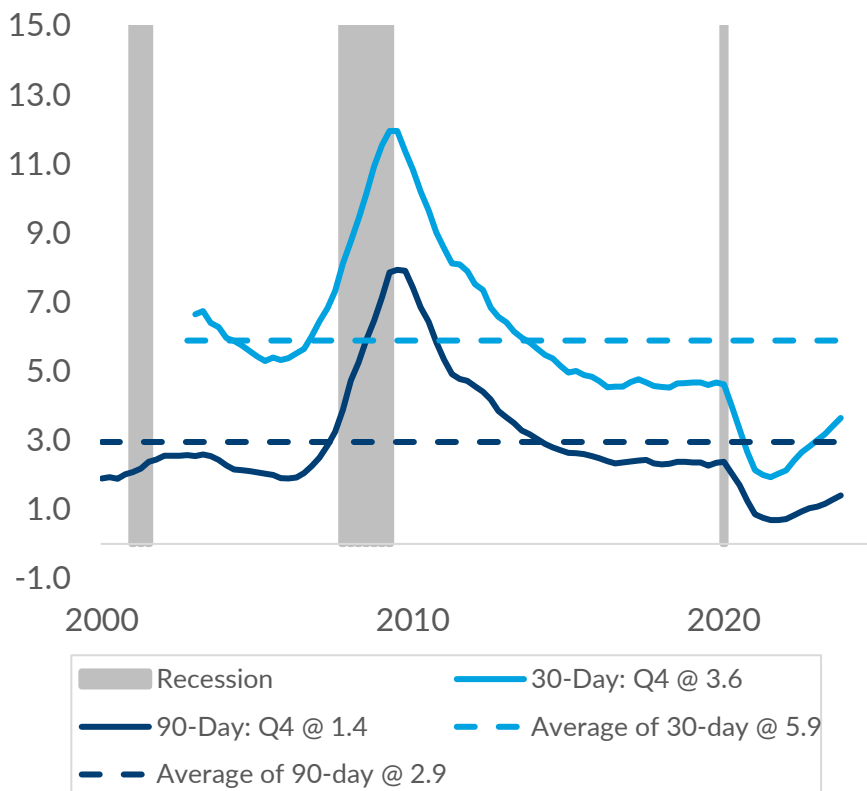


Concerns & Risks

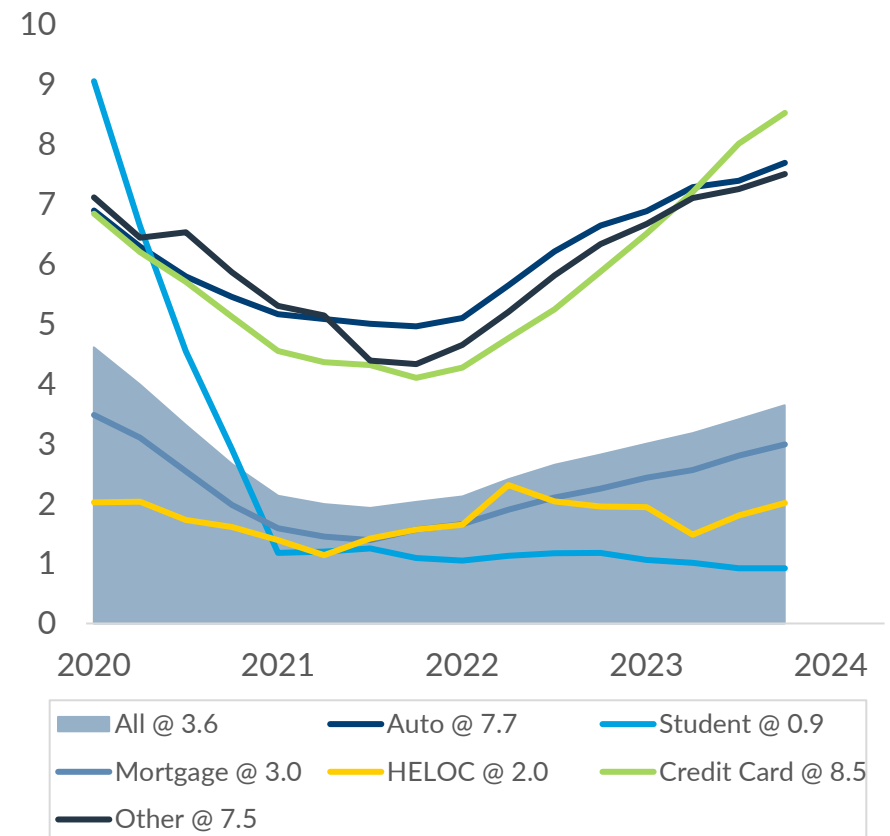


The Consumer

Delinquency Rates for All Consumer Loans
%, seasonally adjusted



30-Day Delinquency Rates for Consumer Loans
%, seasonally adjusted, as of 2023: Q4

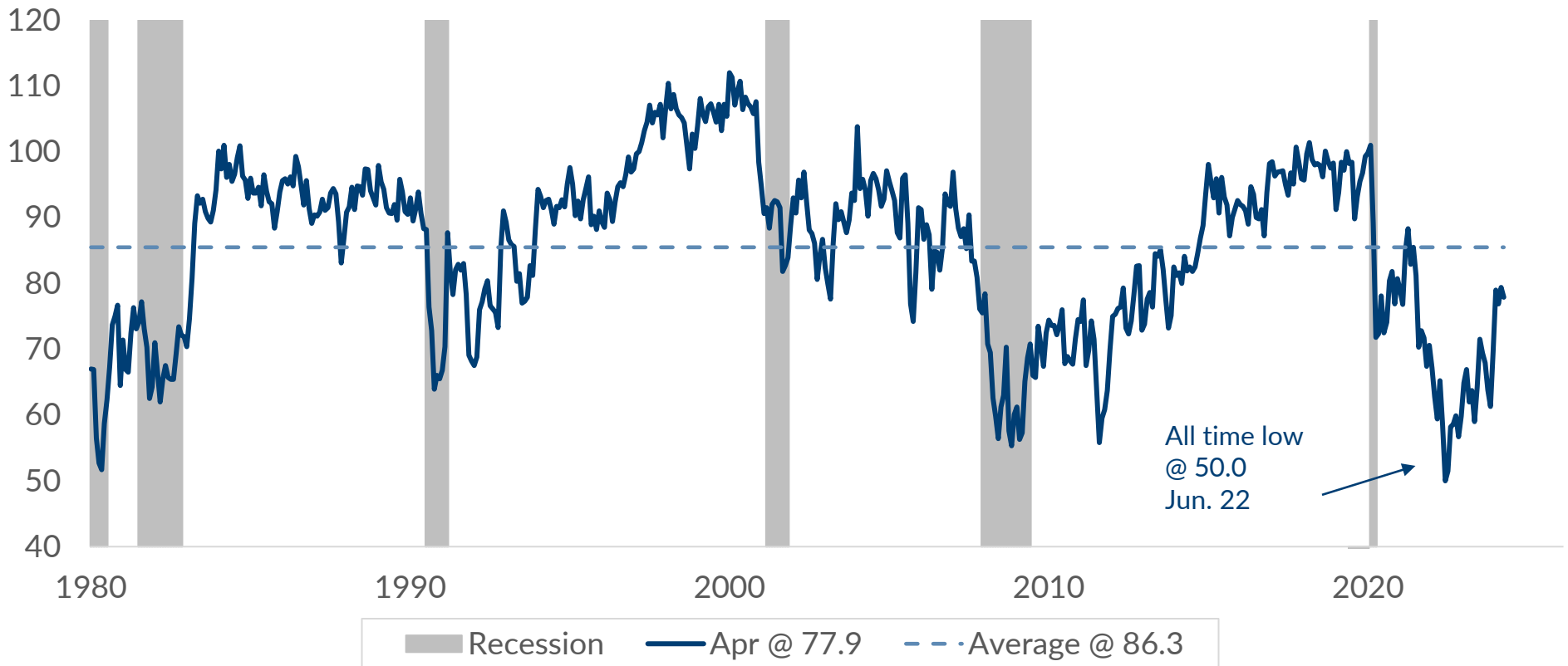


Data current as of February 8, 2024
 Source: Federal Reserve Bank of New York Credit Panel/Equifax
 Information is subject to change and is not a guarantee of future results.



Sentiment

Consumer Sentiment: University of Michigan
index, not seasonally adjusted

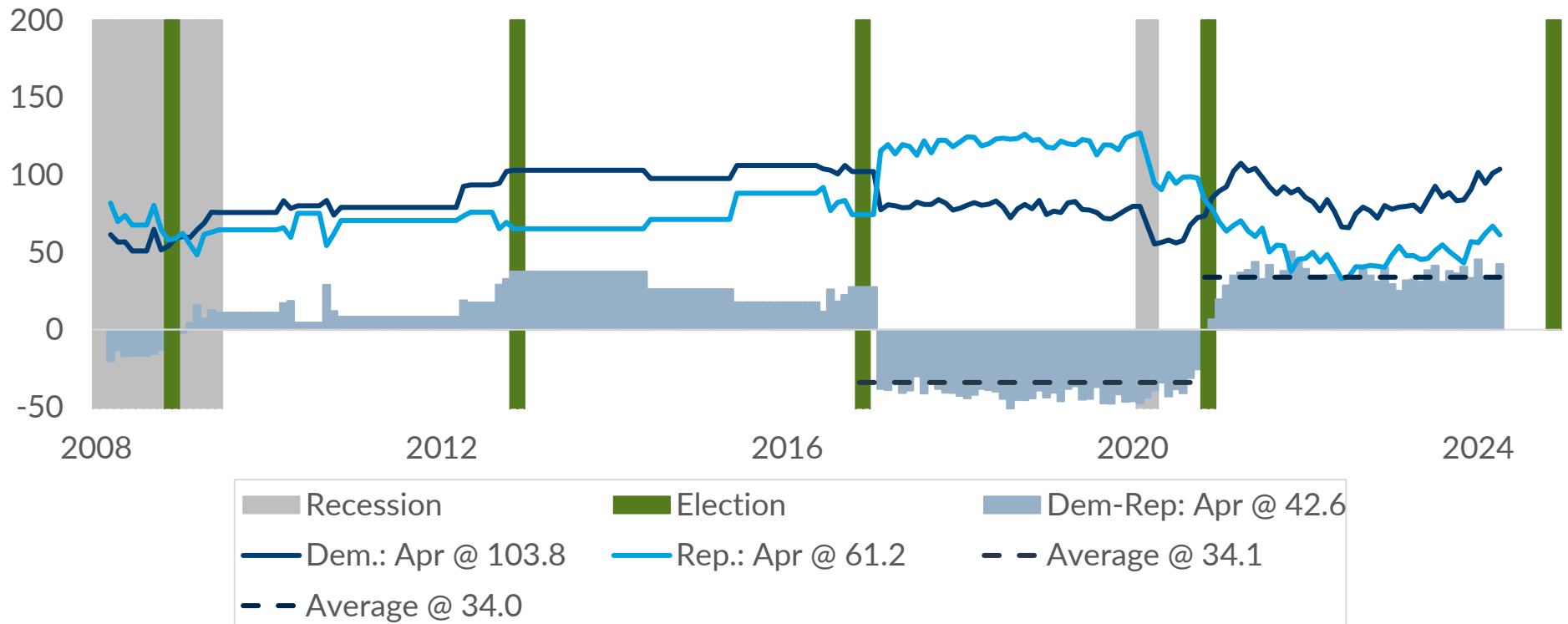


Data current as of April 30, 2024
 Source: University of Michigan
 Information is subject to change and is not a guarantee of future results.



Sentiment

Consumer Sentiment: Political Parties
 University of Michigan
 value, not seasonally adjusted

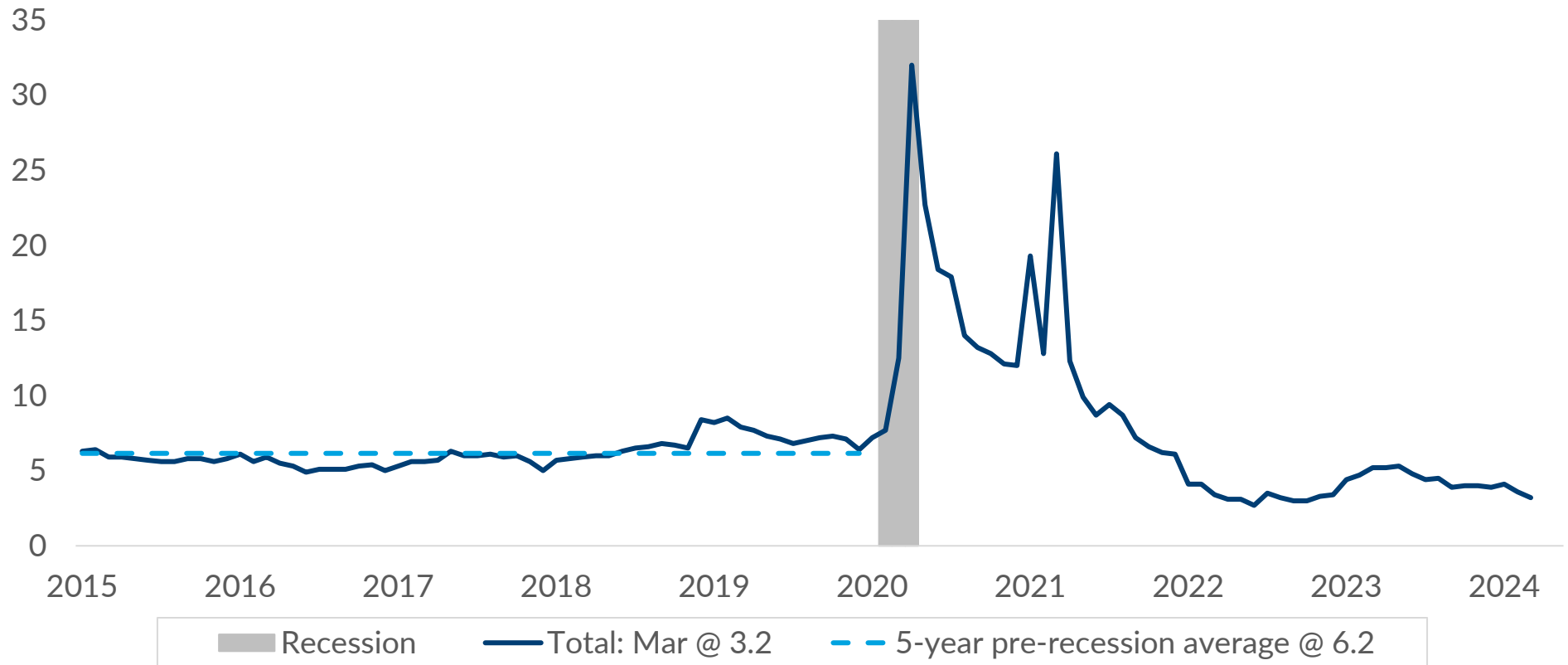


Data current as of April 30, 2024
 Source: University of Michigan
 Information is subject to change and is not a guarantee of future results.



The Consumer

Personal Savings
%, seasonally adjusted

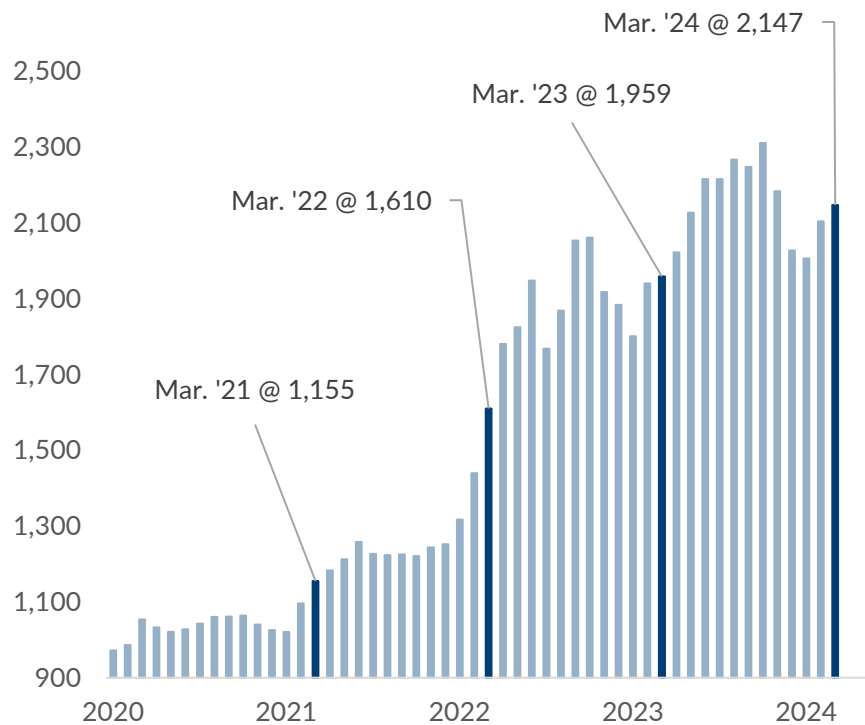


Data current as of May 4, 2024
 Source: Bureau of Economic Analysis
 Information is subject to change and is not a guarantee of future results.

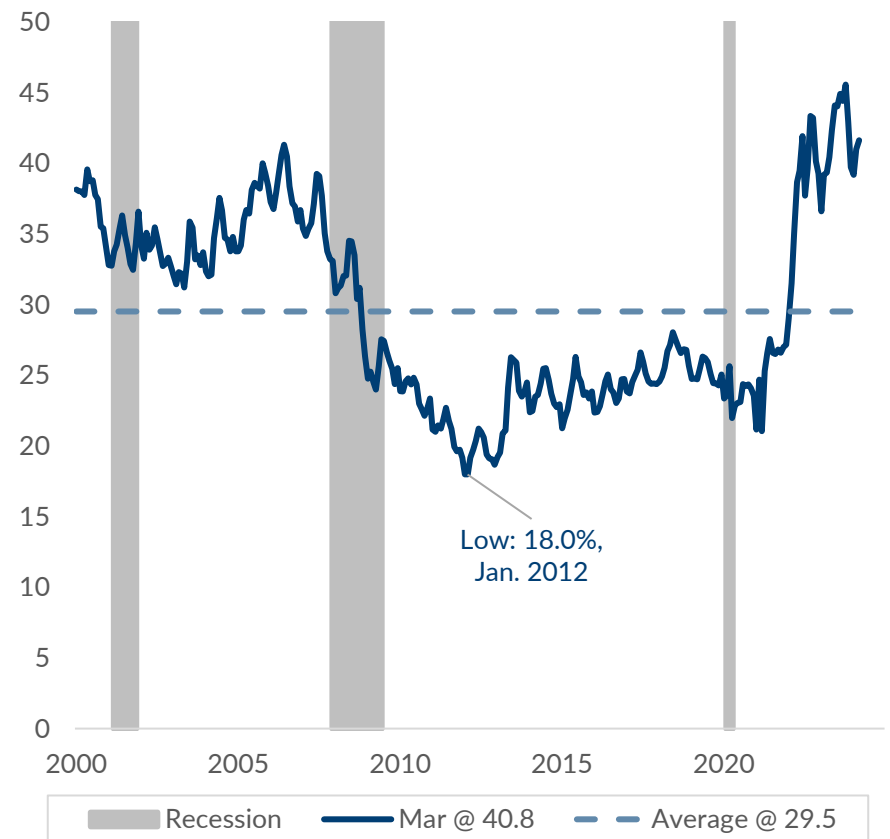


Housing

Monthly Mortgage Payment - Median Existing Home
 \$, 30-year fixed rate mortgage, 80% financing



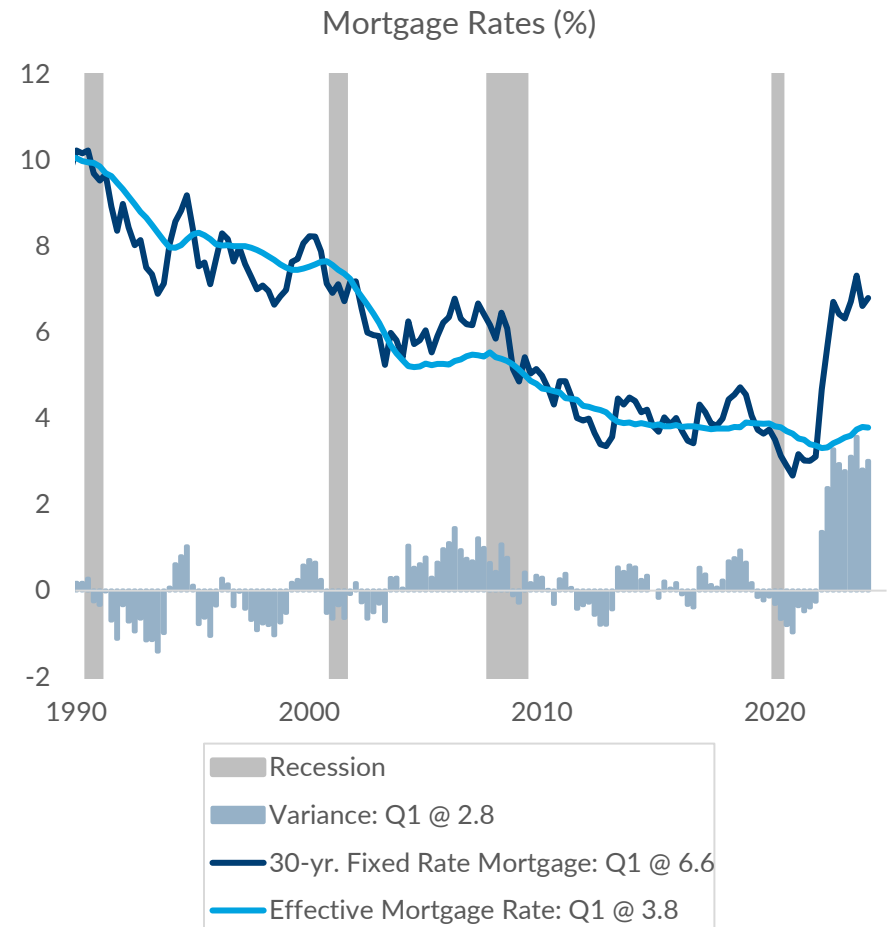
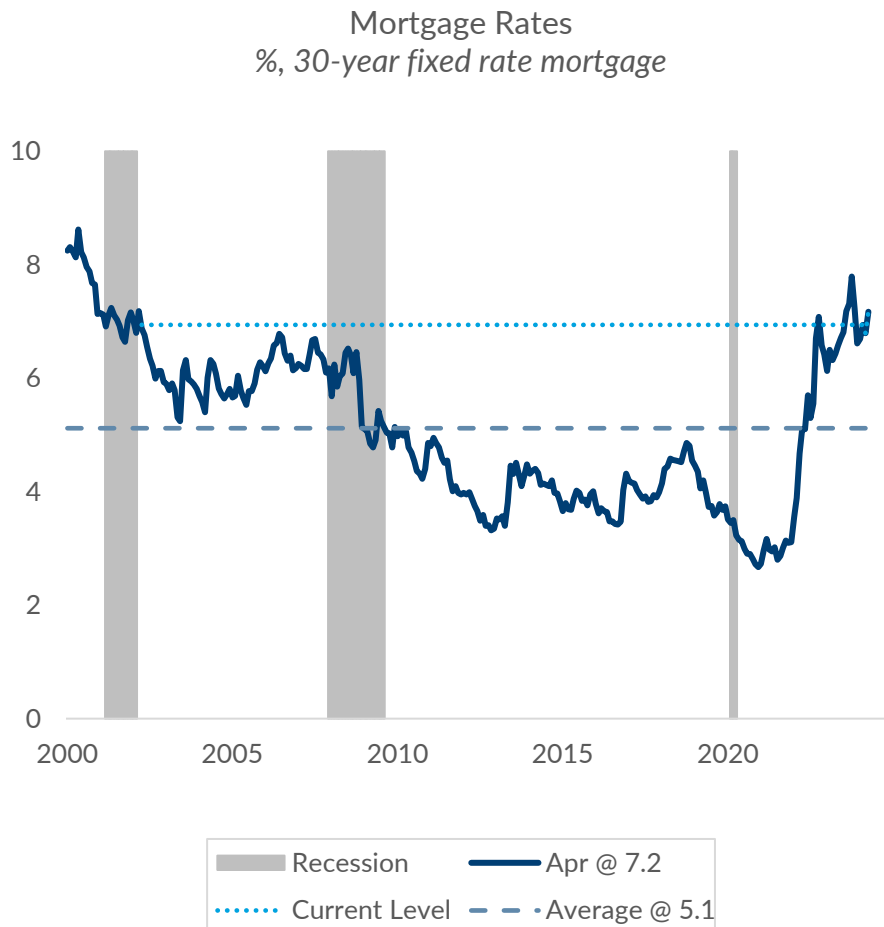
Mortgage Payment as a Percent of Disposable Income
 %, based on an 80% loan to value mortgage



Data current as of May 4, 2024
 Source: Bankrate.com. National Association of Realtors, Bureau of Economic Analysis
 Information is subject to change and is not a guarantee of future results.



Housing



Data current as of March 31, 2024

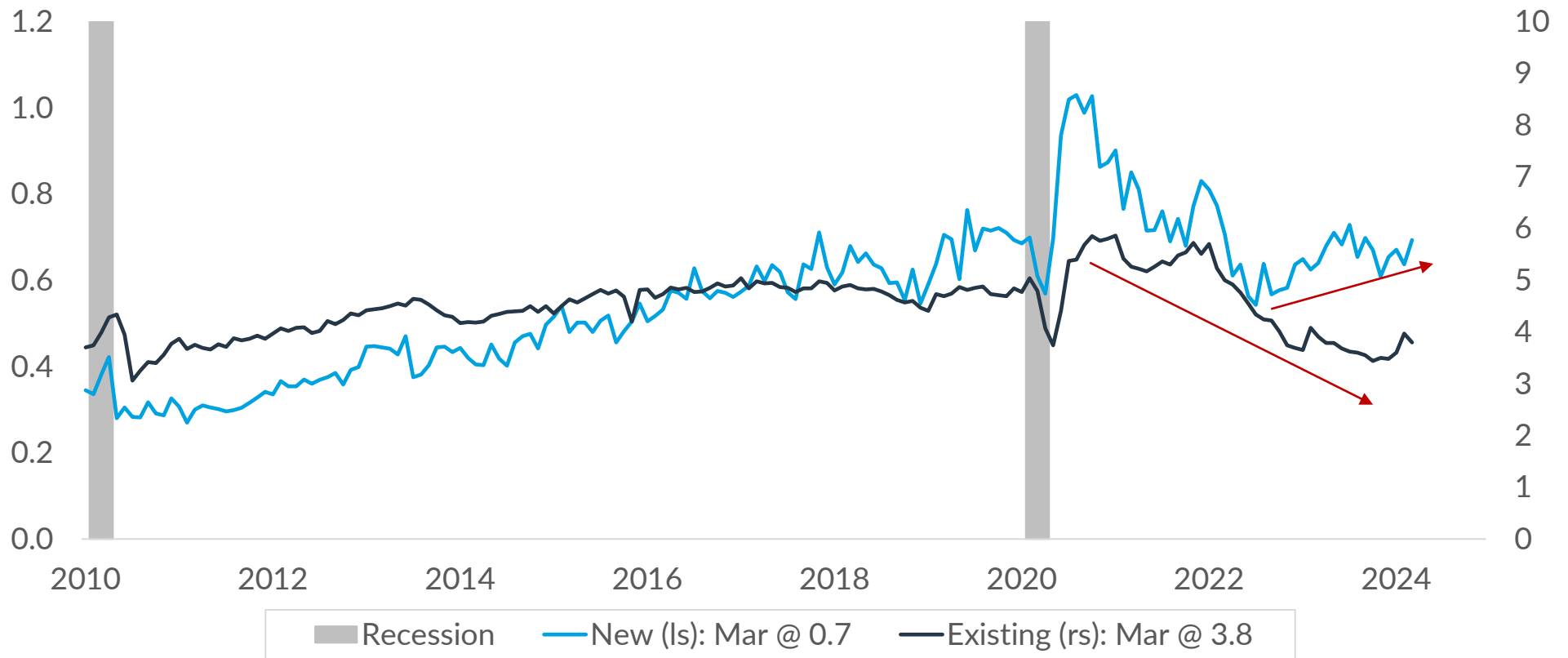
Source: Bureau of Economic Research, FreddieMac, National Association of Realtors, Bankrate.com, CNR Research

Information is subject to change and is not a guarantee of future results.



Housing

Home Sales: Single Family
millions, seasonally adjusted, annual rate

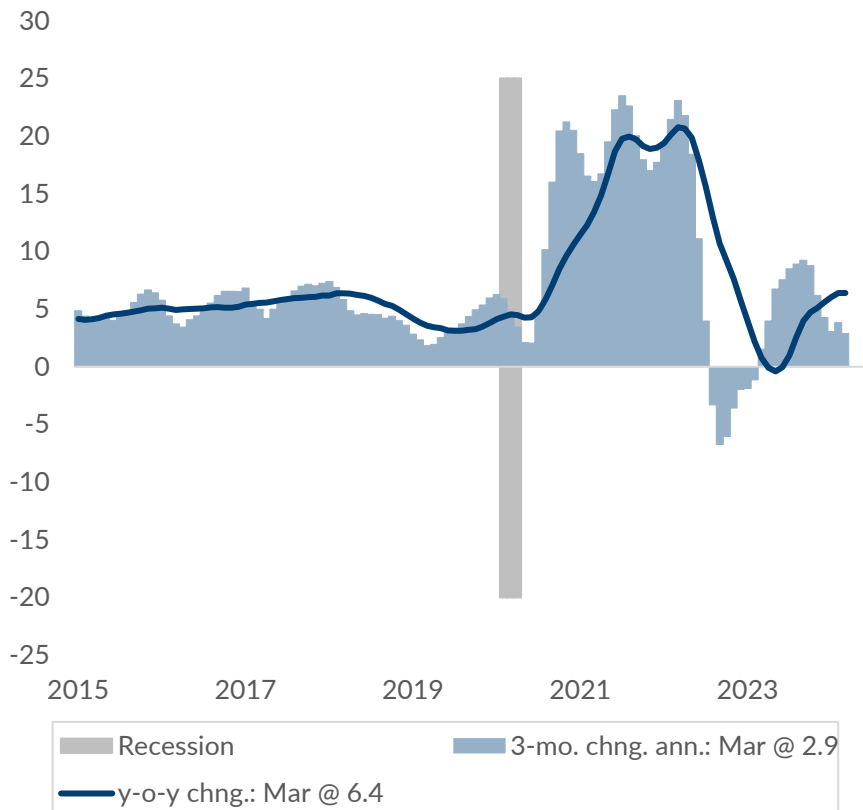


Data current as of May 4, 2024
 Source: National Association of Realtors, U.S. Census Bureau
 Information is subject to change and is not a guarantee of future results.



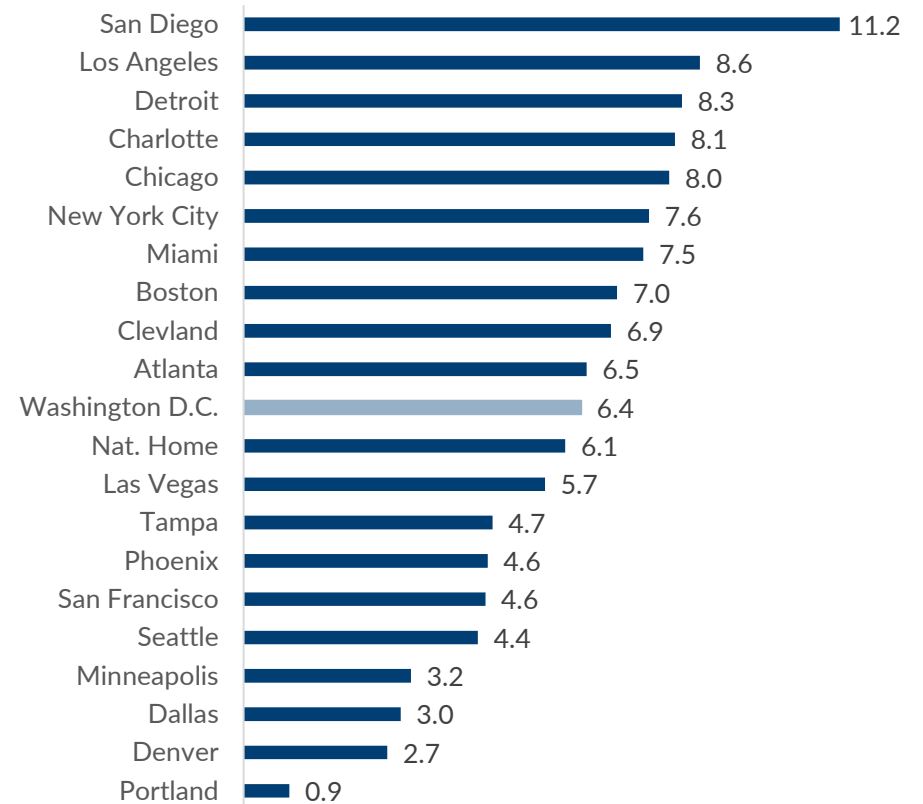
Housing

Home Price Index: S&P CoreLogic Case Shiller - U.S. National
% change, seasonally adjusted



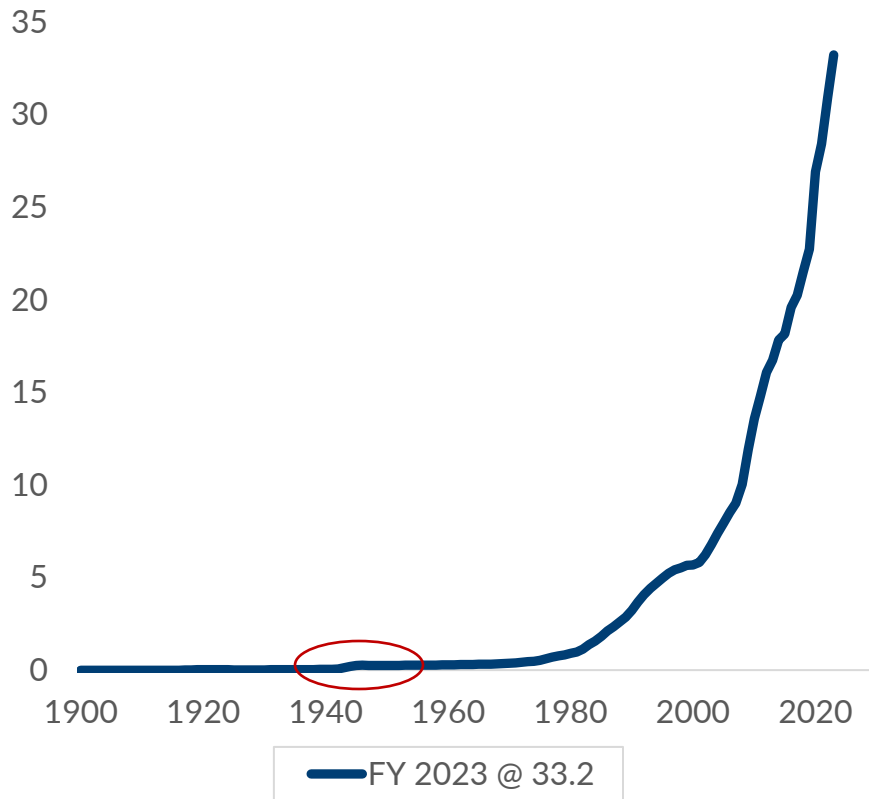
Data current as of May 4, 2024
 Source: S&P CoreLogic Case-Shiller
 Information is subject to change and is not a guarantee of future results.

Home Prices
% change, y-o-y, not seasonally adjusted

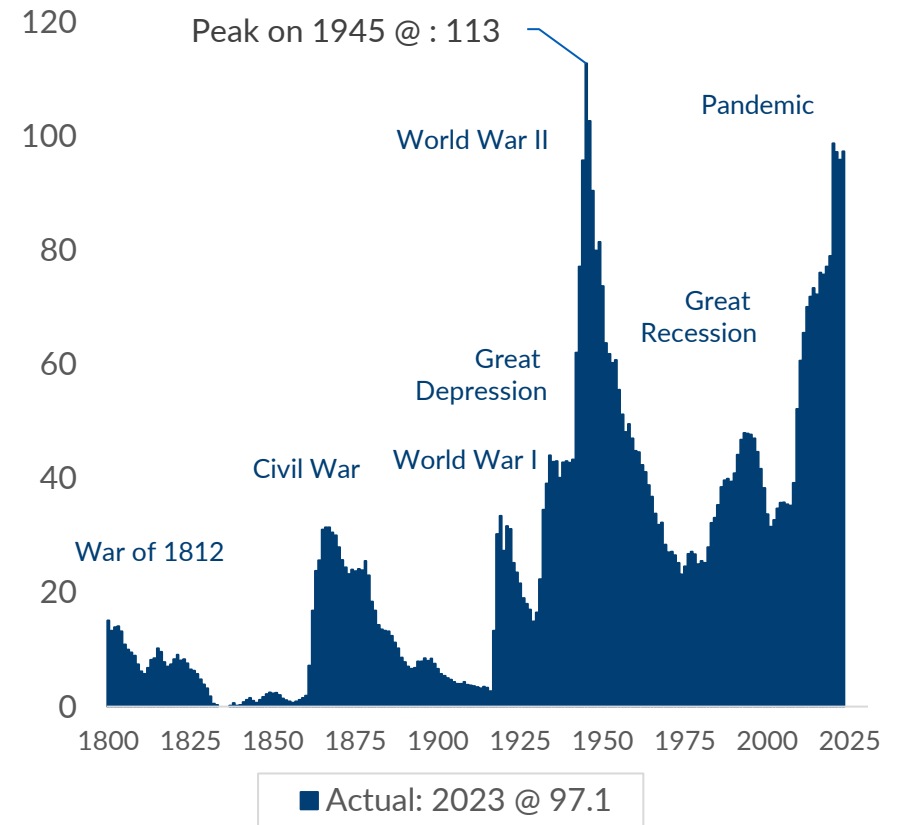


Federal Debt

Federal Debt
\$, trillions



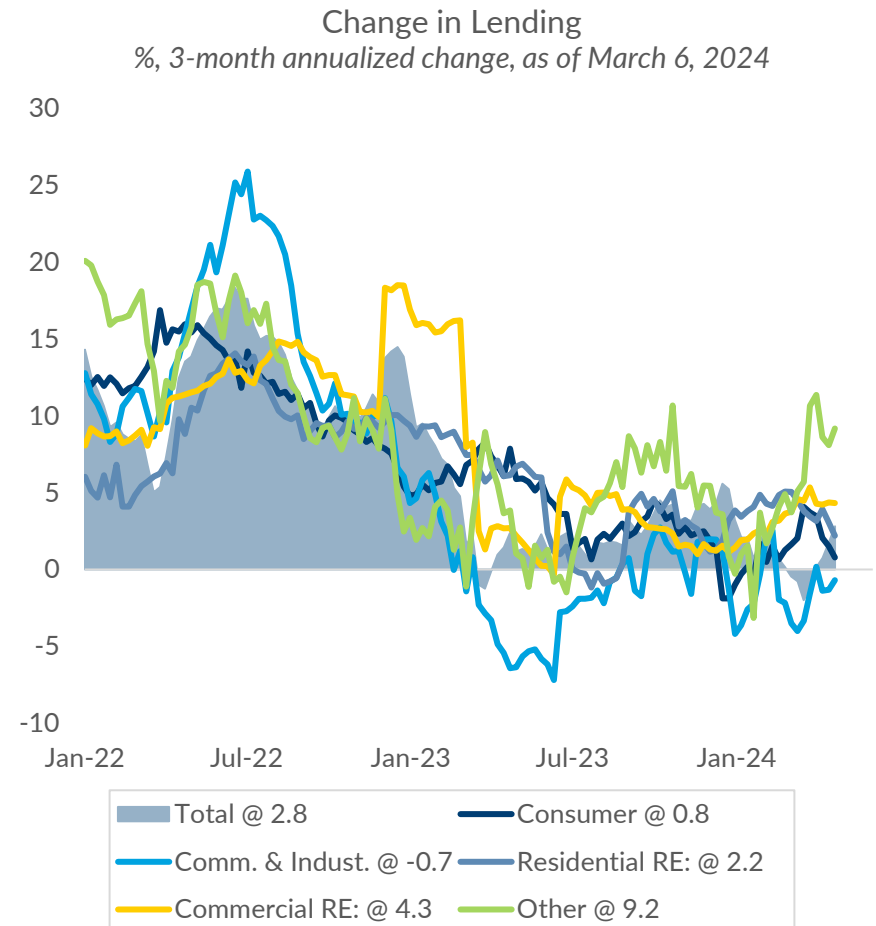
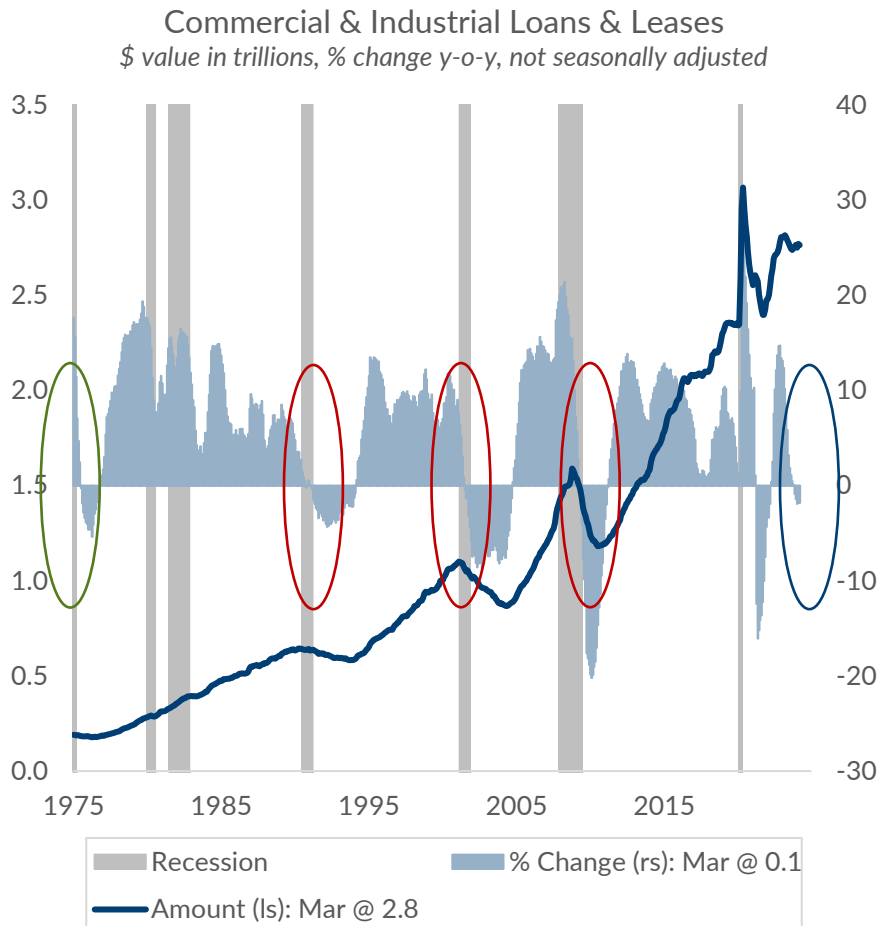
Federal Debt Heald by the Public
percent of GDP



Data current as of March 11, 2024
 Source: U.S. Treasury, Congressional Budget Office
 Information is subject to change and is not a guarantee of future results.



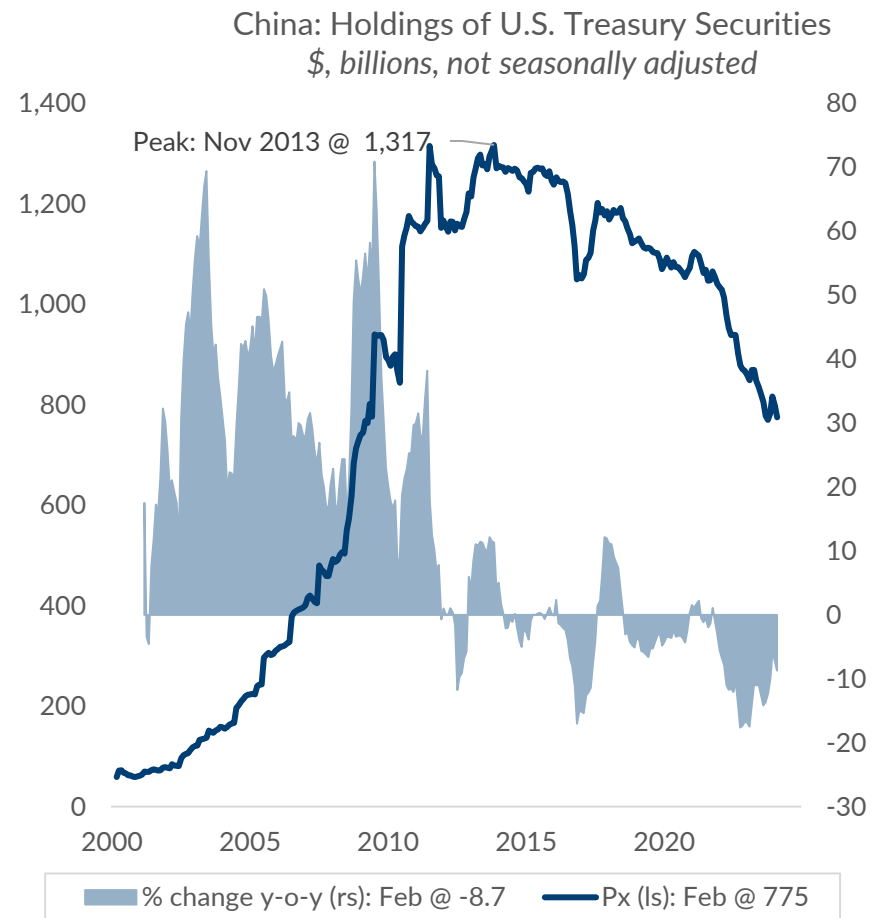
Banking



Data current as of May 4, 2024
 Source: Federal Reserve Bank
 Information is subject to change and is not a guarantee of future results.



Gold

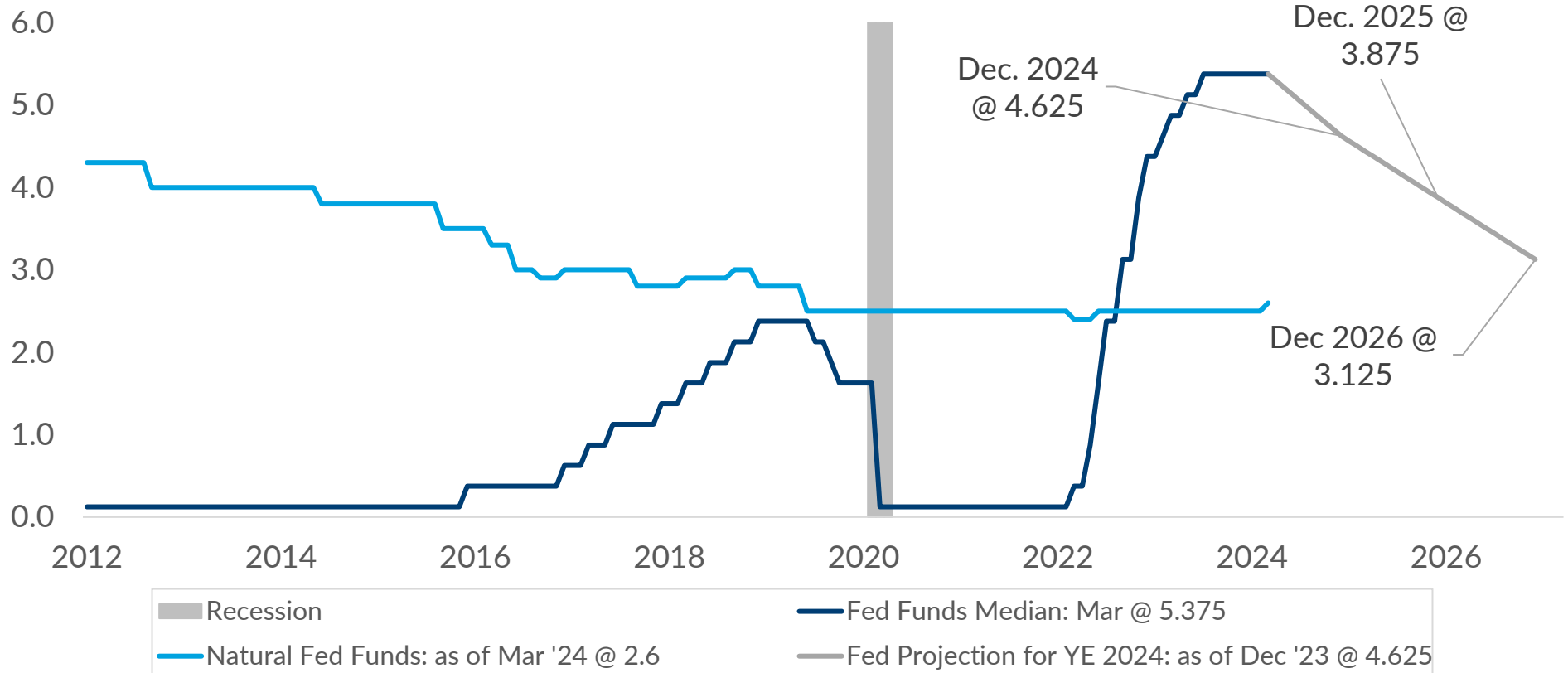


Data current as of May 4, 2024
Source: Federal Reserve Bank
Information is subject to change and is not a guarantee of future results.



The Fed

Federal Funds & Natural Federal Funds
%, not seasonally adjusted

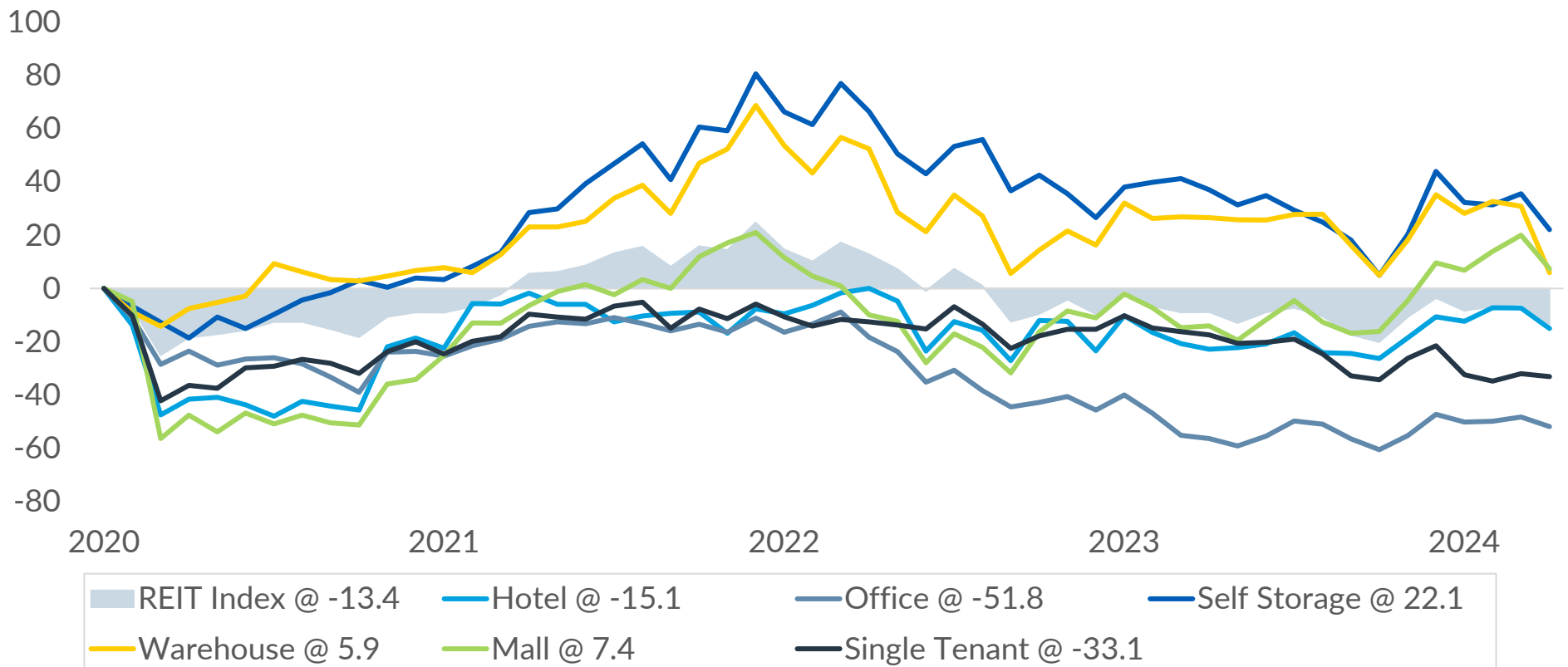


Data current as of March 1, 2024
 Source: Federal Reserve
 Information is subject to change and is not a guarantee of future results.



Real Estate

REIT: Selective Relative Performance
 % change since December 31, 2019 to April 30, 2024

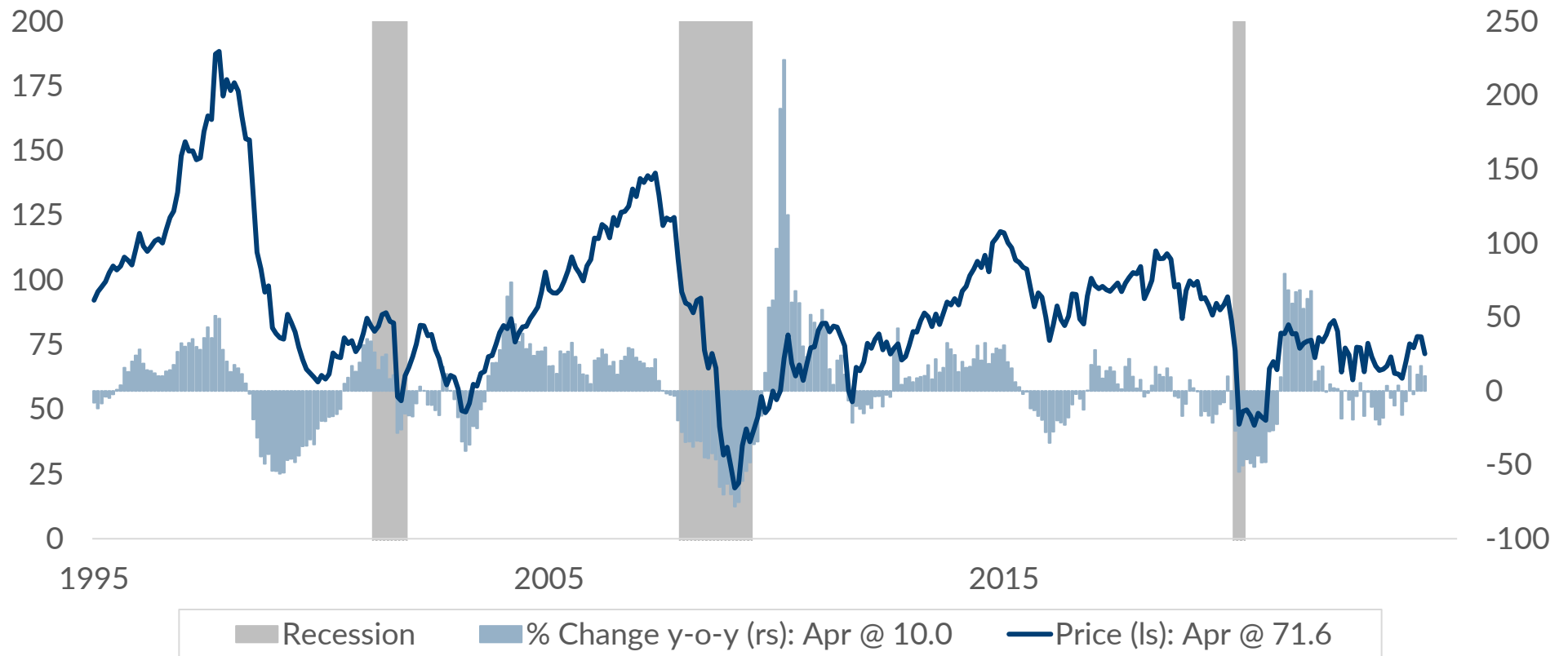


Data current as of May 4, 2024
 Source: Bloomberg
 Information is subject to change and is not a guarantee of future results.



Real Estate

Bloomberg REIT Hotels Index
price & percent change, y-o-y



Data current as of May 4, 2024

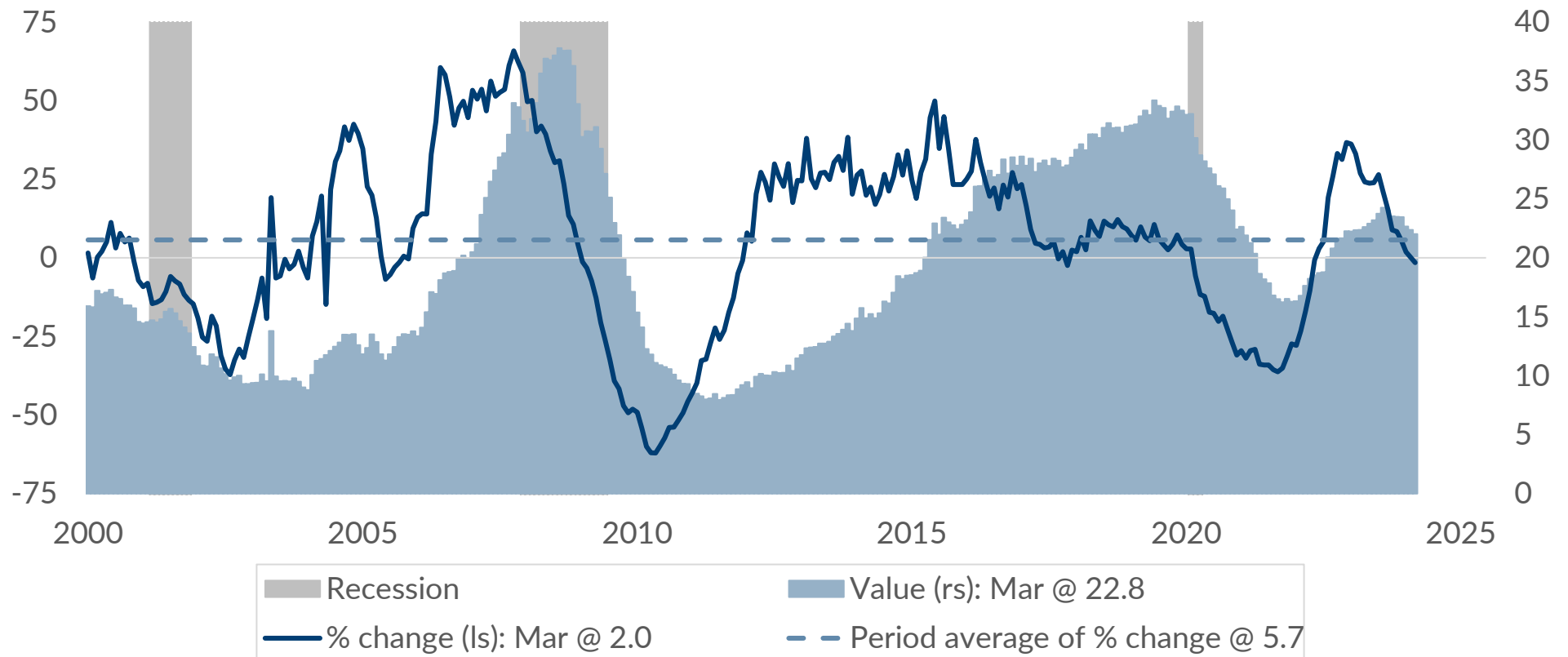
Source: Bloomberg

Information is subject to change and is not a guarantee of future results.



Real Estate

Private Construction Spending: Lodging
\$ billions, % change y-o-y, seasonally adjusted annual rate



Data current as of May 4, 2024

Source:

Information is subject to change and is not a guarantee of future results.

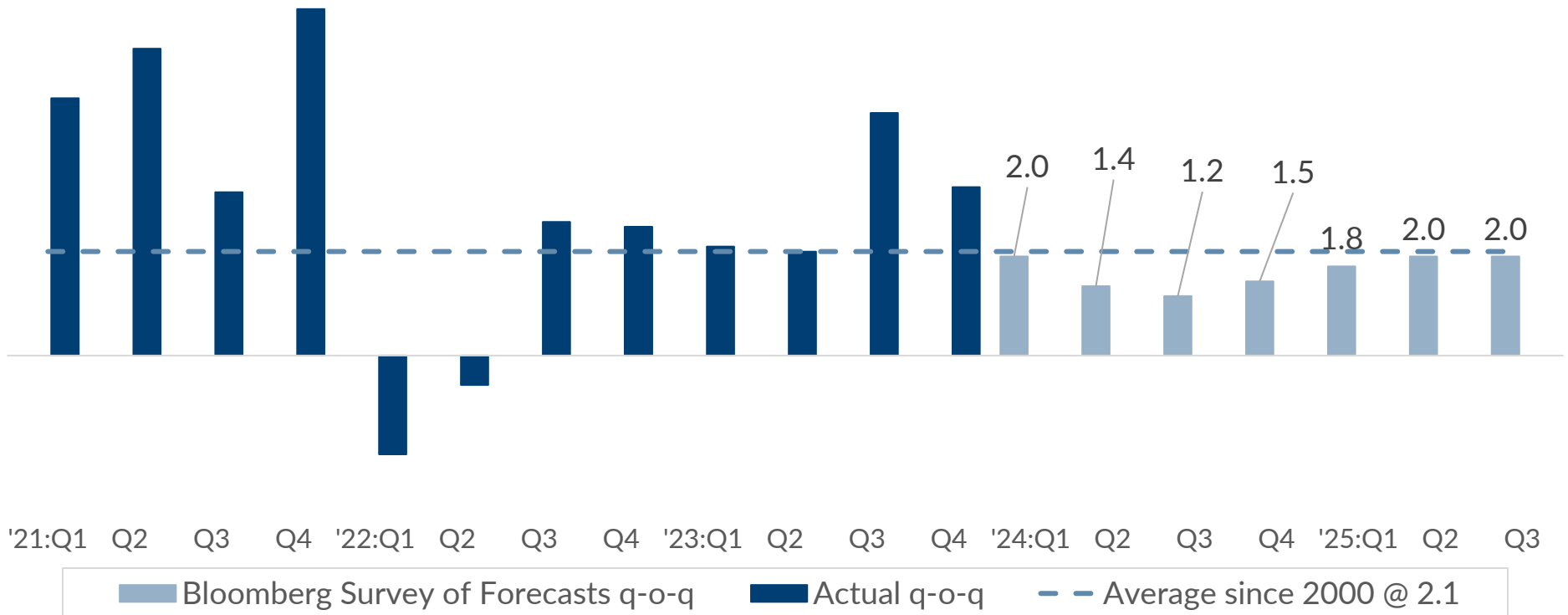


Outlook



GDP

GDP: Actual and Forecast
% change, seasonally adjusted annual rate



Data current as of May 3, 2024

Source: Bureau of Economic Research, Bloomberg Composite of Economic Forecasts

Information is subject to change and is not a guarantee of future results.



Q & A



Index Definitions

Consumer Price Index (CPI). A consumer price index (CPI) measures changes in the price level of a market basket of consumer goods and services purchased by households. The CPI is a statistical estimate constructed using the prices of a sample of representative items whose prices are collected periodically.

Bloomberg U.S. REIT index performance for Bloomberg US REITs ****To be discontinued in 2023**** (BBREIT) including value, chart, profile & other market data.

Gross Domestic Product (GDP) measures changes in the prices of goods and services produced in the United States, including those exported to other countries.

University of Michigan Consumer Sentiment Index. A consumer confidence index published monthly by the University of Michigan. The index is normalized to have a value of 100 in the first quarter of 1966. Each month at least 500 telephone interviews are conducted of a contiguous United States sample.

The Standard and Poor's 500 (S&P 500) is a stock market index tracking the stock performance of 500 of the largest companies listed on stock exchanges in the United States.

Leading Economic Index provides an early indication of significant turning points in the business cycle and where the economy is heading in the near term.

The S&P CoreLogic Case-Shiller U.S. National Home Price NSA Index measures the change in the value of the U.S. residential housing market by tracking the purchase prices of single-family homes.



Important Information

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Past performance or performance based upon assumptions is no guarantee of future results.

Indices are unmanaged and one cannot invest directly in an index. Index returns do not reflect a deduction for fees or expenses.

All investing is subject to risk, including the possible loss of the money you invest. As with any investment strategy, there is no guarantee that investment objectives will be met and investors may lose money. Diversification does not ensure a profit or protect against a loss in a declining market. Past performance is no guarantee of future performance.

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